

AMERICAN GAS ASSOCIATION MONTHLY

NOVEMBER • 1936

New Spirit Shown at Convention

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AMERICAN GAS ASSOCIATION MONTHLY

Contents for November 1936

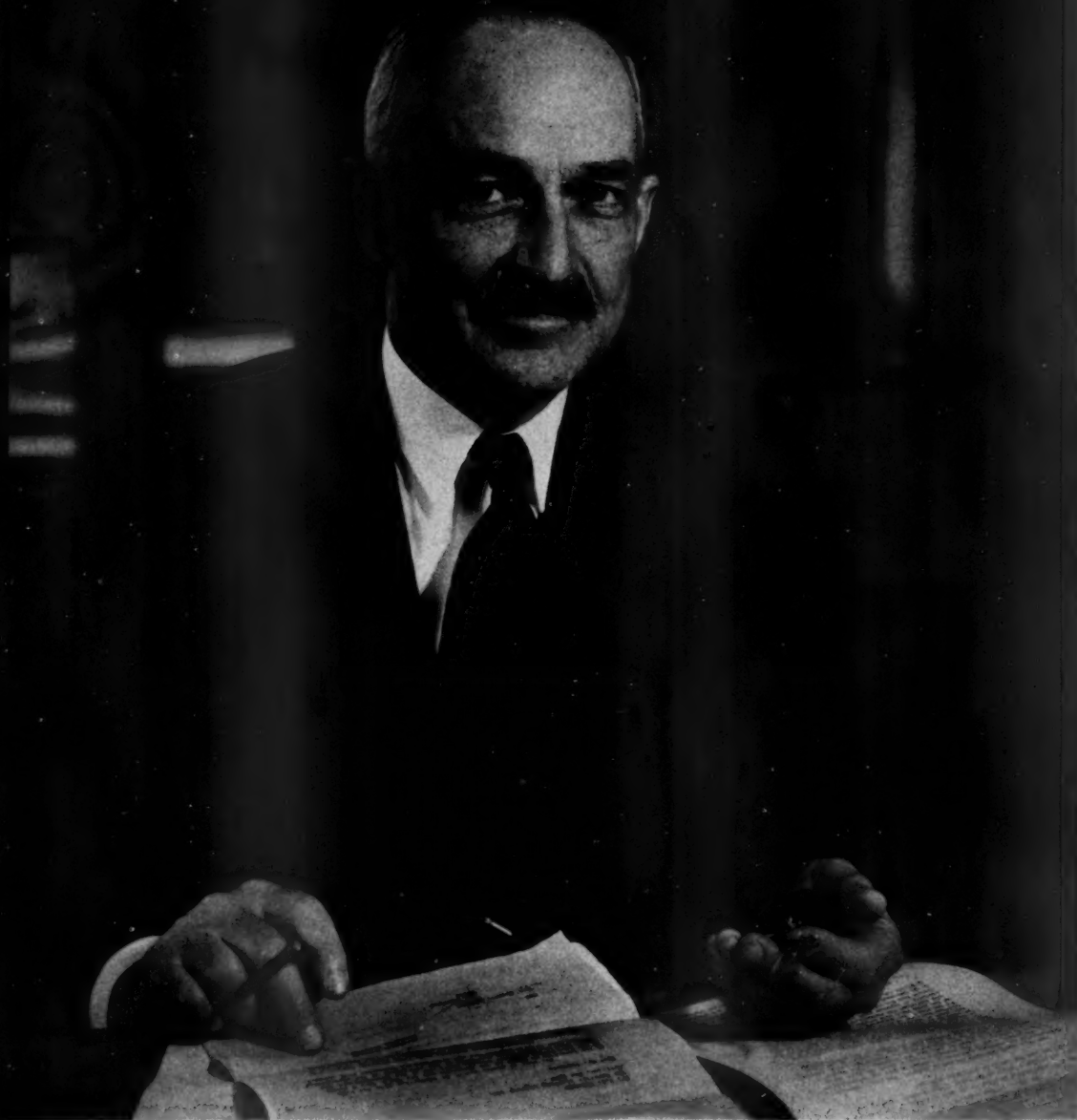
Vol. 18 No. 10

An Industry Reborn.....	375	Developments in Uniform Classification of Accounts	403
The President's Address.....	380	H. C. HASBROUCK	
L. B. DENNING		Plans and Methods of Hitting the New Home Market	406
On the Boardwalk.....	384	R. S. AGEE	
New Directors and Chairmen.....	386	Home Service Convention High Lights.....	409
Who's Who Among New A. G. A. Officers	387	JESSIE McQUEEN	
Convention Honors Three Gas Men.....	389	What the Gas Industry Now Has To Offer in Commercial Cooking Appliances.....	411
What They Said in Atlantic City.....	391	W. FRANK ROBERTS	
Research and the Gas Industry.....	394	Going Ahead with Industrial Gas.....	413
CLIFFORD E. PAIGE		Industrial Gas Takes Lead at National Metal Exposition	414
Affiliated Association Activities.....	399	Address of Chairman.....	415
Large Numbers of Natural Gas Men Attend Convention	401	F. A. LYDECKER	
		Personnel Service	420

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Herman Russell, president of the Rochester Gas and Electric Corporation, who was elected president of the American Gas Association at the eighteenth annual convention

AMERICAN GAS ASSOCIATION MONTHLY

James M. Beall, Editor

An Industry Reborn

REGISTRATION at the eighteenth annual convention of the Association, held in Atlantic City, N. J., October 26-30, totalled 5,405, a thousand more than were registered at the convention held two years ago in the same place, and the last at which an exhibition of appliances and equipment was held. And attendance was not all that reached and surpassed pre-depression peaks. Enthusiasm, confidence, renewed inspiration were everywhere apparent. In the words of President Denning, the gas industry was "an industry reborn."

Not only was the industry embarked upon the greatest cooperative advertising campaign of its career, which was the most talked of subject at the convention, but also there was reassurance in the sight of the great exhibition of gas appliances and equipment which filled the vast municipal auditorium. It was without doubt the finest exhibition ever put on by the manufacturers and a superb expression of confidence in the industry's future.

Row upon row of booths, tastefully decorated and filled with eye-appealing appliances, modern and beautiful in every sense of the word, were available for inspection. And thousands took full advantage of this opportunity to become acquainted with the tools of modern gas service. On every hand were signs of progress. The manufacturers deserve the thanks and commendation of the industry for their work.

Colorful and impressive as the exhibition was, it was only one significant feature of the convention. Perhaps the outstanding development noted by many was the increased attention to sales methods. Always high in technical efficiency, the gas industry, as the convention demonstrated, had now become sales conscious from the topmost executive to the office boy.

The following resolution, heartily endorsing the national advertising program, was adopted unanimously by the convention:

"RESOLVED: That the American Gas Association, assembled in its annual convention, hails the national advertising campaign as a splendid constructive movement, and urges the enthusiastic and effective support of this activity through effective tie-ups of local newspaper advertising and promotional efforts of every kind in cooperation with the committee in charge and by all other forces within the industry."

All of the sectional meetings were well attended and many important papers and reports were presented. The entertainment was of the highest order and evoked considerable praise for the committee in charge of arrangements.

The convention was officially called to order at the Tuesday morning general session by the president, L. B. Denning, who presided throughout with force, dignity and humor. Following the welcome greetings of Hon. Charles D. White, Mayor of Atlantic City, and a statement of the Association's finances by Joseph F. Rooney, treasurer, the General Nominating Committee, Glenn R. Chamberlain, chairman, made its report.

Herman Russell, president of the Rochester Gas and Electric Corporation, Rochester, N. Y., was elected president of the Association. Other officers elected at this session, were: vice-president, N. C. McGowen, president of the United Gas Public Service Company, Houston, Texas; vice-president, Conrad N. Lauer, president, The Philadelphia Gas Works Co., Philadelphia, Pa.; and treasurer, J. F. Rooney, assistant to executive vice-president, Consolidated Edison Company of New York, New York.

The highlight of the entire meeting was the presidential address of L. B. Denning. In a masterly fashion Mr. Denning reviewed the activities of the Association year. His remarks were filled with wise counsel and encouragement and were punctuated with enthusiastic applause. He did not confine himself to Association activities but took into account the major problems of the day. Mr. Denning's address is reproduced elsewhere in this issue of THE MONTHLY.

Dr. John W. Finch, director of the U. S. Bureau of Mines, who addressed the first general session on the subject, "Natural Gas Reserves," said that in spite of the rapid growth of the natural gas industry reserves have been found and proved in advance of the urgent necessity for them. Discoveries, he pointed out, are apparently keeping well abreast of production. In speaking of the outlook for the future, he said that estimates of known or proved natural gas, ranging from 30 to 75 trillion cubic feet, are from 16 to 40 times the $17\frac{1}{8}$ trillion feet produced and marketed in 1935.

"It is certain," Dr. Finch said, "that large reserves of natural gas remain to be discovered and there are no known geologic reasons why the recent high levels of natural gas production cannot be maintained for many years. The progress now being made in natural gas conservation insures the industry the opportunity to serve a large population for a long period."

Greetings from Britain

A representative of Great Britain, Michael Milne-Watson, of the Gas Light and Coke Company of London, spoke at this session. Mr. Milne-Watson was high in his praise of American gas practice and particularly of American sales promotion methods. He also expressed amazement at the amount of free consumer service rendered by gas companies in this country. A point of difference cited by Mr. Milne-Watson was the small amount of gas lighting used in this country as compared with England. He stated that gas lighting, particularly gas flood lighting, in his country is competing successfully with electric lighting.

R. B. Harper, vice-president, The Peoples Gas Light and Coke Company, Chicago, opened the second general session with a review of "Progress in Gas Appliances." The preview of 1937 gas appliances and equipment which the industry is reviewing this week indicates the progress the industry has made this year, he declared. "The fact that our laboratories this year have tested and approved fifty per cent more basic models of gas appliances over last year indicates that manufacturers and gas companies are enjoying an improved appliance busi-



Retiring president, L. B. Denning, is shown passing the gavel of authority to incoming president, Herman Russell

ness and have confidence in the future," he said.

A series of nation-wide regional meetings will be held by the American Gas Association and local gas companies to effect local newspaper tie-ins, T. J. Strickler, Kansas City, chairman of the Committee to Conduct National Advertising, told the convention. Advertising of the character the association is doing, he said, has never yet failed to produce results when the industry's individual units identified themselves with the national program. He urged the entire industry to throw its weight back of the campaign and cooperate locally in carrying it on. A sound slide film for the education of employees on local tie-in methods was shown during Mr. Strickler's address.

The use of class rates in the gas industry is increasing and the majority of the nation's gas companies now have special schedules for commercial and industrial business and many of

them have adopted special rates for house heating and for water heating, A. I. Phillips, chairman of the Rate Structure Committee, stated in a valuable summary of rate activities. A low rate, he said, will not of itself produce sales, but is a valuable competitive weapon which promoted customer satisfaction and removes the bar to sales.

Davis M. DeBard, of Stone and Webster Service Corporation, New York, in an inspiring address, "Selling Gas, Queen Mary Style," said the industry's national advertising campaign was to it what the *Queen Mary* is to the shipping industry. He said that every gas company should have in its line ranges priced low enough to make them easily purchasable by customers in the low income groups. He also pointed out that air conditioning is a highly important field for building sales for gas.

B. J. Mullaney, vice-president, The

Peoples Gas Light and Coke Company, Chicago, urged the greater use of the A. G. A. Laboratory Seal of Approval as "an increasingly usable and useful selling aid, if it is to be adequately utilized." "It now appears," he stated, "on 93 to 95 per cent of all gas burning appliances sold in the United States and Canada. But the significance of why it is there, and of what it represents—how many of us have given much thought to that or done anything about it."

"Any gas appliance which bears the Association's seal of approval for efficiency and economy of operation is worthy of the complete confidence of the consumer," Mr. Mullaney said. "The work of the laboratories is highly significant to the American housewife, because it assures her of gas appliances which have undergone literally hundreds of scientific tests before they have been approved by our industry."

Importance of Research

To develop the gas industry and make it impregnable to competitive raids requires education, study and faith, Clifford E. Paige, president of The Brooklyn Union Gas Company, said, in discussing the part research plays in the industry. "Research effort in our business must largely be local as applied to existing equipment and principles and national when concerned with the exploration of new



N. C. McGowen, left, and Conrad N. Lauer, who were elected vice-presidents of the Association at the convention

possibilities," Mr. Paige said. "We must conduct research in transmission and distribution of gas, in accounting systems and equipment, in market analyses, in personnel relations and in new uses and new types of apparatus. Because our business fills a public need research can do much to help it."

Alexander Forward, managing director of the Association, was the first speaker at the final general session Thursday morning. Mr. Forward's ad-

dress dealt largely with a statistical summary of the year, which appears elsewhere in this issue of THE MONTHLY.

A feature of this session was the presentation of awards for outstanding achievement in the industry during the year. The American Gas Association Meritorious Service Medal went to George L. Creely, of Somerville, N. J., for having performed last year the most meritorious deed in the saving of life in the gas industry. President Denning made the presentation.

Heroic Act

Mr. Creely, whose exploit earned him national recognition last May, beat out a fire on a huge gasoline storage tank which had been struck by lightning. His heroic action averted a serious disaster which undoubtedly would have caused a large loss of life.

Leon John Willien, of Chicago, was given the Charles A. Munroe Award in recognition of his contribution in the general interest of the industry. The award was based on his "consistent research and originality and the usefulness of his contributions of advanced processes for manufacturing, mixing and transmitting gas." Marcy L. Sperry, of Washington, presented the award to Mr. Willien.

The Beal Medal, awarded for con-

NEW CHAIRMEN

NATURAL GAS DEPARTMENT: Chairman—George E. Welker, president, United Natural Gas Company, Oil City, Pa., Vice-Chairman—Robert W. Hendee, Colorado Interstate Gas Company, Colorado Springs, Colo.

ACCOUNTING SECTION: Chairman—Herbert E. Cliff, Public Service Electric & Gas Company, Newark, N. J., Vice-Chairman—E. J. Tucker, Consumers Gas Company of Toronto, Toronto, Ont., Can.

COMMERCIAL SECTION: Chairman—F. M. Banks, vice-president in charge of sales, Southern California Gas Company, Los Angeles, Calif., Vice-Chairman—Hugh Cuthrell, vice-president, Brooklyn Union Gas Company, Brooklyn, N. Y.

INDUSTRIAL GAS SECTION: Chairman—Ralph L. Manier, The Syracuse Lighting Company Inc., Syracuse, N. Y., Vice-Chairman—Hale A. Clark, Detroit City Gas Company, Detroit, Mich.

MANUFACTURERS' SECTION: Chairman—John A. Fry, president, Detroit-Michigan Stove Company, Detroit, Mich., Vice-Chairman, Apparatus Division—Merrill N. Davis, vice-president, S. R. Dresser, Manufacturing Company, Bradford, Pa., Vice-Chairman, Appliance Division—J. Scott Fowler, president, Lovekin Water Heater Company, Philadelphia, Pa.

TECHNICAL SECTION: Chairman—M. I. Mix, The Peoples Gas Light & Coke Company, Chicago, Ill., Vice-Chairman—J. V. Postles, The Philadelphia Gas Works Company, Philadelphia, Pa.

PUBLICITY AND ADVERTISING COMMITTEE: Chairman—Henry Obermeyer, assistant to vice-president, Consolidated Edison Company of New York, New York, N. Y.

tributing the best technical paper to association meetings, went this year to George E. Hitz, of Poughkeepsie, N. Y. His paper dealt with leak proofing bell and spigot joints. The medal was presented by F. A. Lydecker of Newark, N. J.

Since one of the most important factors in total costs is labor cost, the problem of effective handling of human relations and intelligent distribution of the wage fund are two of the phases of management most difficult to achieve, Eric A. Nicol, chairman of the Committee on Personnel Practices, reported to the convention. "Management must capture the brain as well as the brawn of workers," he said. "The subject of training executives, foremen or middle line supervisors and employees is being given increased attention."

Glenn Gardiner, assistant to president, Forstmann Woolen Company, Passaic, N. J., and vice-president of the American Management Association, also discussed personnel management and its relation to the gas industry. Mr. Gardiner particularly stressed the responsibility of management to adopt a consistent program designed to improve employee relations.

Further consideration was given to personnel problems at a lively luncheon conference held at The Shelburne, Tuesday, October 27. Mr. Nicol presided at the conference at which L. A. Appley, director of training of the Socony Vacuum Corporation, was guest speaker. Mr. Appley's brilliant personality and informative talk on the general subject of training in industry were the prelude to an informal discussion in which many took part.

A. C. Shire, technical editor of *Architectural Forum*, discussed the possibilities of the gas industry in the coming building boom. Mr. Shire told the delegates that the integrated house, built of parts made by a number of manufacturers and designed to fit perfectly with the products of other manufacturers is the coming phenomenon in construction. Such a house, he said, will be easily built, with no cutting and trimming on the job and no wasted space and materials.

Conrad N. Lauer, chairman of the Time and Place Committee, reported the recommendation that the nineteenth

annual convention of the Association be held during the week beginning October 11, 1937. The committee also recommended that the place of the meeting be decided later and the decision referred to the Executive Board. The report was adopted.

In closing the convention, President Denning handed the gavel of authority to incoming president, Herman Russell, and pledged him his wholehearted support throughout Mr. Russell's administration.

National Advertising Group Holds Lively Meeting

THE advertising luncheon symposium held at the Hotel Ambassador on Thursday afternoon brought together 114 representatives of gas companies, including several members of the Committee to Conduct National Advertising, in an enthusiastic discussion of the objectives of the National Advertising Program.

T. J. Strickler, of Kansas City, opened the meeting and introduced Don Parry,

president of the Public Utilities Advertising Association, who extended the greetings of that organization to members of the A. G. A. Past-President Denning, President Russell, Alexander Forward and others made short talks bearing on the advertising program, and the meeting was later turned over to Henry Obermeyer of New York, Chairman of the Association's Publicity and Advertising Committee.

Mr. Obermeyer discussed the activities of his committee, all of which merge into and supplement the activities of the Committee to Conduct National Advertising. Among other things he discussed the tie in with Hollywood movie studios, the preparation of a plan book on the A. G. A. Testing Laboratory and the Laboratory's Seal of Approval and the production of four sound slide films to be offered companies in the near future.

The meeting was then thrown open to the discussion of national advertising. A number of those present made short talks, all of an optimistic nature, and Mr. Strickler announced that plans would be put into operation immediately to hold regional meetings of representatives of companies participating in the National Advertising Program.

Statistical Review Shows Gas Industry Making Gains



Alexander Forward

DOMESTIC customers served by manufactured and natural gas utilities totalled 15,236,600 on August 31, an increase of nearly 100,000 during the first eight months of 1936. This gain in customers is reflected in the fact that a total of some 910,000 gas ranges were sold in the country during the first eight months of this year. This was an increase of 28 per cent over the first eight months of 1935. Approximately 80 per cent of such sales consisted of relatively high priced ranges incorporating modern automatic features, such as oven-heat control, etc.

The past year and a half has been characterized by an increasing appreciation of the great potential market for domestic water heating. There has been a widespread adoption of rates more favorable to the use of gas for this purpose. This has been accompanied by a marked acceleration of local sales effort and a nation-wide coordinated campaign to promote the use of gas for water heating. So successful have been the

results of this program that it will be continued during 1937. For instance, the sale of automatic type gas water heaters during the first eight months of 1936 was running more than 50 per cent above that of a similar period during 1935.

Many gas companies have also recently inaugurated more favorable rates for gas house heating through central plant burners and equipment. The sale of such equipment registered an increase of more than 100 per cent during the first eight months of 1936.

Revenues of manufactured and natural gas utilities aggregated \$520,507,800 for the first eight months of 1936. This was an increase of 6.8 per cent over the corresponding period of 1935. Revenues from industrial and commercial uses increased 16.1 per cent, while revenues from domestic customers gained 3.0 per cent.

Manufactured gas industry revenues totalled \$252,644,000 for the first eight months, a gain of 1.8 per cent. Revenues from industrial and commercial uses of manufactured gas gained 11.6 per cent. Revenues from domestic uses, such as cooking, water heating, refrigeration, etc., were 1.5 per cent less than for the corresponding period of 1935.

Revenues of the natural gas industry for the first eight months amounted to \$267,863,800, a gain of 12.0 per cent over a year ago. Revenues from industrial uses increased 21.0 per cent, while revenues from domestic uses gained 7.7 per cent.

(From Report of Alexander Forward, Managing Director, American Gas Association, at the annual convention.)



The 1936 exhibition of gas appliances and equipment, sponsored by the A.G.A.E.M., which was visited by thousands during the convention

The President's Address

By L. B. DENNING

President, Lone Star Gas Co.,
Dallas, Texas

It seems to me that the most important thing that occurred this year, if I read the signs correctly and I hope I do, is the resurgence of new birth in the gas industry. It seemed to me for some years that one section of our industry was suffering from over-complacency, over-satisfaction in what they were doing, and another section was suffering somewhat from a defeatist complex—a sort of feeling of "what's the use." Both have been shaken out of that attitude during the past year.

National Advertising Inspiration

Those of you who were at Chicago last year will remember there came out of the west a man with a voice and an idea. His courage was unconquerable, his logic irrefutable, and his eloquence irresistible. Those of you who were there know that James A. Pollard came from Seattle and brought forth an idea which was met with possibly some skepticism. But he wore that down by the force of his arguments and there was born the idea of a national advertising campaign for the gas industry. So successful were those arguments that they resulted in the setting up of a Committee on National Advertising very ably headed by your incoming president, Mr. Russell, who with his usual force, acumen, business ability and strength, and in spite of all opposition, drove through a financial program, assisted by the other able members of his committee, which resulted in the accumulation of a fund which justified the experiment in national advertising. I am happy to tell you all, but which some of you already know, that the fund raised was ample to justify the experimental program.

A Copy Committee, under the jurisdiction and direction of Major T. J. Strickler of Kansas City, was organized, the personnel of which consisted largely of the advertising managers of the major companies, based upon sectional representation. I think

all of you have seen the copy which is appearing in national magazines, and I think you are all proud and happy that the start was made. My congratulations to that committee for the splendid work they have done.

I think that committee has caused this slumbering giant of ours to shake off the shackles of complacency, and to take on new life, and to awaken the power that is within the industry, itself, and to go determinedly forward to new fields of endeavor.

I wonder how many of you have ever given any thought to what is really the potential strength and power of this industry if it was once thoroughly organized and that power put to use.

I quote to you some figures given by a representative of the Federal Trade Commission, who appeared before a Congressional Committee considering national regulation of natural gas pipe lines. To me these figures were astounding. We are accustomed to hearing much these days about the electric industry. We may yield to it in some respects, and recognize its importance in the social fabric of our lives, but how many know that measured in terms of efficiency, in delivered energy during the year of 1934, natural gas alone delivered to America two and one-fifth times the total amount of electric energy produced by all the electric plants in the United States. Not included in those figures is the potential energy of the manufactured gas industry. When we consider that gas in one way or another affects the daily lives, comfort, welfare and even the health of nearly 50 million customers, or approximately 50 per cent of the total continental population of the United States, I think possibly we have some idea of the vast part we play in the life of our country and its people. I would suggest that the visual forces behind that be organized in such a way, and also humanized in such a way, that

you can carry home to the consuming public the value of this service to them.

I was impressed with one statement made by the speaker from Great Britain, Mr. Michael Milne-Watson, when he said he was amazed at the amount of free consumer service which was rendered by gas companies, and that that was completely unknown in other countries. I think that is true, but is it not our task to let our customers know what this service is—what the value and worth of it is? Out of that can come better customer relations. Can't we bring to them a closer conception of the problems from which we are suffering? I leave that to you as a thought to be worked out. I know of some cases where that is being done and I do not believe it is an impossible task, or that it is temerity to assume what can be accomplished by the proper concentration of effort on our part.

Mystery Chef Program

The Mystery Chef program, which many of you are familiar with, and which has been broadcast throughout the New England States and along the Atlantic Seaboard, and in some sections of the west, and which was experimentally introduced, has given excellent results and I look forward to seeing the Mystery Chef program broadcast more extensively during the coming year.

During the last year, perhaps feeling sure of this new strength coming into the industry, the appliance manufacturers who were previously merged with our Association, conceived the idea that they would like to form their own group and have an independent government of their own, however, remaining closely associated with our Association. We graciously bowed to them and told them to go ahead, with the result that they have organized the Association of American Gas Appliance and Equipment Manufacturers, retaining their close association with our organization. That their efforts have met with success so far is evi-

Delivered before eighteenth annual convention, American Gas Association, Atlantic City, N. J., October 26-30, 1936.

denced by the magnificent exhibit which you may see here this year.

One thing can be said for our manufacturers. I think they have awakened the gas man a little bit. I congratulate them and say to them that I consider they are one of the most important elements in our business. They provide the instrumentality which furnishes the customers service, and without them we could not succeed, and without us they could not succeed. I congratulate them for having brought about beauty of line and color in what used to be a rather unattractive appliance. We have to have something to offer our customers that vies with the attractiveness of those things offered by other lines of industry, such as the automobile and other appliances. I believe that beauty parlors have made our world beauty conscious and the appeal to beauty and the demand for beauty is one which has to be met.

Up to date I think the appliance manufacturers have met this requirement, this demand, in very good shape, but they cannot stop there, because

each generation comes along with new ideas and new demands. We must keep constantly on the alert, constantly on the *qui-vive*, constantly ready to recognize that demand in so far as it is practically possible for us to do so.

One of the principles to which this Association has strictly adhered has been the need for fundamental and basic research. That committee, under the direction of F. J. Rutledge, has been doing excellent work for over nine years, and this work, in my opinion, should and must continue. Under the direction of a representative of the American Gas Association, our Domestic Research Committee, although only one year old, has been doing splendid work. My congratulations to that committee for the progress they have made in Domestic Research.

The Committee on Fundamental Research will render a report through C. E. Paige, who is very much interested in that subject and who will cover it very comprehensively later in the sessions.

During the past year there has not been very much legislation enacted by state legislatures which affected the gas industry—either division of the business. Perhaps the most notable exception was in Texas in reference to natural gas reserves. I may say, however, that this legislation in Texas would not have been enacted had not the natural gas industry of the southwest presented a united front and was determined to procure legislation or legislative action so as not to destroy or completely annihilate the natural gas reserves for the use of the consuming public. If I may be pardoned for a personal reference, our own company was one of the pioneers and leaders, but we were not alone because we received very able cooperation and assistance from nearly every company in the Southwest.

National Legislation

In national legislation, two enactments have been put on the statute books, one of which will prove very important and one which may not develop so strongly. The important one I refer to is the National Security Act to which very great attention is being directed at the present moment, and which becomes effective the first day of January, 1937. It is not necessary for me to go into the details beyond saying that it provides, or attempts to provide a system whereby employment insurance may be set up through the collection of a portion of the earnings of the employees and contributions from the earnings of the companies. Just how well this legislation may work or how effective it may prove, only time and experience can tell. Doubtless it will require some amendments and only experience and time will determine what those amendments shall be. We approach the matter with temperance and patience and will await the outcome to see what the developments may be.

The Robinson-Patman Act is the other to which I referred. It is impossible at the present time to say how that materially affects the gas industry.

As an evidence of the encroachment of national regulation upon states, one matter has been brought to our attention quite recently. Heretofore it has been considered that the matter of



Pictured above are Walter F. Norton, of Manchester, N. H., President Denning, and Alexander Forward, managing director of the Association, on their way to convention sessions

classification of accounts and methods by which the industry should keep its books, were purely local. Recently there has apparently been a determination on the part of national authorities to attempt to direct the state authorities as to how they should set up their accounts and how they should direct the industry, or that portion of the industry under local and state control, to keep their accounts. The situation at the present moment is in the hands of the very able chairman of the Accounting Section, Mr. Griffith, and the members of the Committee on Uniform Classification of Accounts. It is being handled with care and discretion and you will be advised from time to time as the situation develops.

World Power Attendance

Your president, managing director and other members of your Association attended the World Power Conference which was held in Washington recently, and carefully guarded the interests of the industry so far as we felt it was necessary to do so. We fraternized with the delegates from foreign countries, were extremely courteous to them and helped them as best we could on their tours. I feel that we succeeded in so far as the gas industry is concerned, in aiding and assisting in the creation of better international feeling which is evident from the numerous letters of appreciation which were received from the foreign delegates on their return home.

On the side of salesmanship, new ideas and new thoughts are coming into our business and more effort is being made to develop selling ideas. In this connection I want to suggest to you that some of the companies have found it very helpful in the development of their business to create in the minds of their employees, the idea that they are salesmen no matter what their jobs may be. The employee should not only be interested in selling appliances but should sell the company as well. If that is done there will be created much better and improved public relations where such improvements need to be created.

The Technical Section is experiencing some trouble, I understand, due to the increasing cost of labor and materials. They have been called upon

Win New Buick Cars

Four lucky men drove new 1937 Buick cars home from the A. G. A. convention as a result of their drawing winning numbers at the exhibition of gas appliances and equipment held by the Association of Gas Appliance and Equipment Manufacturers. The winners are: William J. Foy, Consolidated Edison Company of New York, N. Y.; C. L. Bensel, Public Service Electric and Gas Company, Newark, N. J.; Frederick R. Todd, Boston Consolidated Gas Company, Boston, Mass.; and Ronald A. Maloney, Bridgeport Gas Light Company, Bridgeport, Conn. The cars were presented by the A. G. A. E. M. as an added attraction at the exhibition.

to devise ways and means to meet the increasing costs and of course that is difficult when you are beset on one hand by increasing cost of labor and materials and on the other by the reluctance of regulating authorities to grant increases in rates to meet such increased costs. However, they have been forging ahead and their work has been well done. During the past year they have not only had to meet problems of that kind, but problems brought about by the elements, by frost and by flood in many sections of the country. However, these conditions have been met with courage and fortitude and skill. I think the spirit in which the rank and file have met these conditions is well exemplified in a case that came to my attention, if you will pardon another personal reference, when one of our men mud from head to foot and weary from loss of sleep staggered in and said, "Well, boss, we had a Hell of a time and nobody knew it but us."

In the Commercial Section, sales conferences have been held as well as sales contests. In many places they have been very successful. The spirit and method of cooperation developed with the gas-consuming public has been highly important. I am quite sure that it will result not only in added sales but improved customer relations.

Our Rate Committee has been active. Of course rates are like the poor—they are always with us. They have been working on the principle that not only should costs but the value of the service be included in any rate computation and in these days the value of

service is becoming more and more important. The work of the Rate Committee will continue and I am sure they will give the same attention to the work as they have heretofore. Of course, after all, the rate problem is more or less a local problem, applicable to each individual company, based upon a fair return from present fair value of property at the time it is being used for public use, plus a cost of service, plus other elements. It is a continuing matter, never-ending, which calls for our best skill and best intelligence, which we know the Rate Committee is giving to it.

Laboratories' Work Grows

One of the most important adjuncts of the American Gas Association is our testing laboratory at Cleveland and Los Angeles. It is not necessary at the present moment to go greatly into detail. I think you are all impressed with the results of that work under the very able leadership of the Laboratory Committee, and the splendid direction of R. M. Conner, the Cleveland laboratory director. That work has been greatly increased and we have met all the demands made upon us. The work is growing and calls for greater support in the future from the Association. It is one of the things which will help us to maintain greater public confidence through the use of the Approval Seal which the laboratory puts upon appliances, and one which they know is a mark of honest manufacture and honest service, to both of which this Association thoroughly subscribes.

I want to direct your attention again to the appliance exhibit. This is the first one we have had in two years, and it seems to me it marks a new era—and I can think of nothing better on the spur of the moment which better describes what I intend to say—it marks a new era in that there is a new feeling and a new resolve in the determination to go ahead in the development of appliances to meet existing demands, and not only for the profit of the manufacturers but for the profit of the consumers as well. The manufacturers are producing appliances today which our people can go out and sell and overcome sales resistance easier than with the old-fash-

ioned appliances. I congratulate the manufacturers on their work in that respect and am quite confident that it will be continued.

I want to express my appreciation for the cooperation of the A. G. A. staff and for the efficient manner in which Major Forward, our managing director, has set it up, and for the splendid work which they have done during the past year.

We hear much these days about the natural resources of America, but I have yet to hear anyone mention the conservation of what I consider one of the most valuable assets this nation has—the American business man. It has become the custom these days in some circles and among some classes of people to classify or accuse the American business man of being selfish. I maintain that as a class there is no more unselfish, more devoted group with high ideals in America than the American business man.

I think this nation is making a very serious mistake when it fails to make use of the splendid assets, the skill, knowledge and experience and the patriotism of the American business man. However, I think we are going to be called upon more and more and I think the remedy rests with us. We must have courage to assert ourselves. We must first have the intelligence to know that we are right and secondly, courage enough to assert ourselves.

We hear much these days about taxation. The other day there came to my desk a memorandum from one of my executives calling attention to the fact that according to a statement published in the newspapers, taxes—federal, state and local—cost the average family in the Texas area \$1.55 per day, while the average daily consumption of natural gas in the same territory was 15 cents. I may add that approximately 2 cents of that 15 cents was the company's portion of the taxes.

Now again we are facing a problem of so-called regulation. The gas industry has been under local and state regulation for so long that it has become accustomed to it, at least we have in our section of the country. I don't think any enlightened business man or any enlightened gas man objects to reasonable regulation—regulation that

gives due regard to the interests of the customer, the property owner and the labor involved. But regulation has become synonymous with rate reduction. We are told that regulation must be in the interests of the consumer.

My answer to that is that such a statement is morally and economically wrong. Economic slavery is just as reprehensible as human slavery. Unless all parties to a transaction rendering a service are fairly and honestly treated and receive fair and honest compensation for services rendered, in the end it means disruption and possible destruction of the service. If that be the objective sought then inevitably it will be accomplished. However, I do not think that is the objective sought in the minds of the American people.

I think that the American people are perfectly willing and desirous to see the parties to every transaction get fair treatment.

I do not believe that the Lord ever put in any one single human individual the ability to control everybody's actions—human, social, business or otherwise. I do not concede that any

one individual has the sum total of all human wisdom, but I do believe that when the American people give careful study and attention to the problems before them, that they will answer them with the inherent traditions of their history behind them with fair and honest reasoning.

Therefore, I say to you: Can we not here and now renew our courage, renew our faith in our institutions and our allegiance to them, with the firm and abiding faith that we shall go forward conquering our difficulties, and see that "government of the people, by the people and for the people shall not perish from the earth."

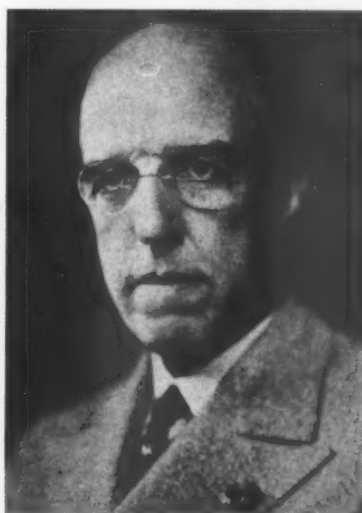
William Rasch Again Heads A. G. A. E. M.

OFFICERS who guided the affairs of the Association of Gas Appliance and Equipment Manufacturers with outstanding success in the first year of its existence, were re-elected at the association's annual meeting in Atlantic City, N. J., October 25. Those re-elected are: president, William T. Rasch, president, American Gas Products Corporation, New York, N. Y.; vice-president, Merrill N. Davis, vice-president, S. R. Dresser Manufacturing Co., Bradford, Pa.; treasurer, Donald McDonald, secretary, American Meter Company, New York, N. Y.

Following are the new board of directors:

W. T. Rasch, American Gas Products Corporation, New York, N. Y.; Merrill N. Davis, S. R. Dresser Manufacturing Company, Bradford, Pa.; Donald McDonald, American Meter Company, New York, N. Y.; Paul R. Tappan, Tappan Stove Company, Mansfield, Ohio; H. N. Ramsey, Welsbach Company, Gloucester City, N. J.; Richard F. Cleary, Homestead Heater Company, Newark, N. J.; J. P. Morley, Bastian-Morley Company, LaPorte, Ind.; F. E. Sellman, Servel, Inc., New York, N. Y.; Frank H. Adams, Surface Combustion Corporation, Toledo, Ohio; W. Frank Roberts, Standard Gas Equipment Corporation, Baltimore, Md.; Earl W. Roberts, Roberts Brass Manufacturing Company, Detroit, Mich.; J. A. Robertshaw, Robertshaw Thermostat Company, Youngwood, Pa.; W. P. Hutchinson, Sprague Meter Company, Bridgeport, Conn.; H. J. Johnson, Remington-Rand, Inc., Buffalo, N. Y.; J. Peter Eastman, Eastman Manufacturing Company, Manitowoc, Wis.; W. J. Bailey, Day & Night Water Heater Co., Ltd., Monrovia, Calif.; Clarence Graham, James Graham Manufacturing Company, Newark, Calif.; John A. Fry, Detroit-Michigan Stove Company, Detroit, Mich.; A. P. Brill, Ruud Manufacturing Company, Pittsburgh, Pa.

New A. G. A. Director



Marcy L. Sperry, president of the Washington Gas Light Company, Washington, D. C., who was elected a director of the American Gas Association at a meeting of the Executive Board in Atlantic City, October 26. Mr. Sperry is a member of the committee conducting the national advertising campaign and has long been active in association work

On the Boardwalk



*J. D. Creveling, New York, and
Merrill N. Davis, Bradford*



*William T. Rasch, New York, president,
Association of Gas Appliance and
Equipment Manufacturers*



*C. W. Bergborn and Nils T. Sellman,
of New York*



*Craig Espey, Chicago,
and Clifford Johnstone,
San Francisco*



*Louis C. Smith and
George L. Callen, of
Harrisburg*



*Isaac T. Haddock, Cambridge, and
George W. Stiles, Portland, Me.*



*W. W. Winter and W. Street Russell,
of Atlanta*



Robert E. Ramsey, Philadelphia, H. R. Sterrett, New Haven, and B. V. Pfeiffer, Philadelphia



Andrew J. Gonnoud, Brooklyn, and unidentified delegate



C. H. Waring, T. J. Strickler, and Ray T. Railiff, of Kansas City



R. E. Fisher, San Francisco, and Davis M. DeBard, New York



H. C. Cooper, Pittsburgh, and unidentified delegate



B. G. Neilson, Brooklyn, Clifford E. Paige, Brooklyn, Frank Adams, Toledo, and Michael Milne-Watson, London, England



Oliver Hagerman, Chicago, T. B. Gregory, Pittsburgh, Philip G. Gossler, New York, and Walter C. Beckjord, New York

New Directors and Chairmen



Charles W. Bennett
Director



Henry L. Doherty
Director



O. H. Fogg
Director



F. A. Newton
Director



James F. Pollard
Director



William T. Rasch
Director



W. E. Steinwedell
Director



John K. Swanson
Director



Percy S. Young
Director



George E. Welker
Chairman
Natural Gas Dept.



Herbert E. Cliff
Chairman
Accounting Section



F. M. Banks
Chairman
Commercial Section



Ralph L. Manier
Chairman
Industrial Gas Sect.



John A. Fry
Chairman
Manufacturers' Sect.



M. I. Mix
Chairman
Technical Section



Henry Obermeyer
Chairman
Pub. and Adv. Com.

Who's Who—

Among New A. G. A. Officers

HERMAN RUSSELL President

President of Rochester Gas and Electric Corporation, Rochester, N. Y. Has devoted most of professional and business career to gas and electric public utility industries.

Graduated from University of Michigan in 1898. Took up post-graduate work in Chemical and Gas Engineering, receiving Master's Degree in 1900, winning first scholarship established by Michigan Gas Association.

Entered employ of Detroit Gas Company, became assistant superintendent in 1902. Went to San Francisco in 1903 as superintendent of gas manufacturing. Became assistant superintendent of gas manufacturing in Cincinnati in 1904.

In 1905 became assistant superintendent of gas works of Rochester Railway and Light Company. Remained with that company and its successor, The Rochester Gas and Electric Corporation, until the present. Made superintendent of gas manufacturing in 1906; assistant manager in 1914, general manager in 1919, vice-president and director in 1922, and president, director and general manager in 1929.

Past president, Rochester Chamber of Commerce; and Rochester Civic Improvement Association; past secretary, Oak Hill Country Club of Rochester; president of Rochester Industrial Development Corporation; director, Lincoln Alliance Bank; Board of Governors, Genesee Hospital; member American Gas Association, Edison Electric Institute, The Empire State Gas and Electric Association, Society of the Genesee, Rochester section of American Chemical Society, Genesee Valley, Rochester, Advertising, and Automobile Clubs, and Rochester Engineering Society. Also vice-president, Mechanics Institute and The Rochester Association.

N. C. McGOWEN Vice-President

President of United Gas Public Service Company, Houston, Texas. Prominent in the natural gas industry in the southwest for many years. Has high record as a producer of natural gas and as a business man. Took a leading part in the development of the great natural gas fields of Louisiana and in promoting the interests of the Natural Gas Association of America, now the Natural Gas Department of the American Gas Association.

After amalgamation of the old natural

gas association with the American Gas Association, served as first chairman of the Natural Gas Department. At that time was vice-president of the Palmer Corporation, operating in Louisiana. After organization of the United Gas Public Service Company, was transferred to Houston as president, retaining his residence in Shreveport.

Has been a leader in civic affairs in his city and is identified with a number of large industrial enterprises outside the industry. Consistent advocate of conservation of natural gas.

CONRAD N. LAUER Vice-President

President of The Philadelphia Gas Works Company, Philadelphia, Pa.

Born November 25, 1869 at Three Tuns, Montgomery County, Pa. Educated in public and private schools in Montgomery County; received technical training under private tutors. In 1893, entered the employ of the Link Belt Company where he advanced to plant superintendent. In 1902, became associated with Dodge and Day, and with its successor companies, Dodge, Day and Zimmerman, and Day and Zimmerman, Inc., serving as general manager, member of firm, secretary, treasurer and vice-president.

Elected president, The Philadelphia Gas Works Company in 1929, succeeding Paul Thompson, retired. Subsequently appointed member of Philadelphia Municipal Gas Works Commission and vice-president of the United Gas Improvement Company.

Author of "Engineering in American Industry." Member A. G. A. Committee on National Advertising; chairman, Industrial Division, Welfare Federation of Philadelphia. Director: Autocar Company, Cold Spring Bleachery, Bates Inc., Day and Zimmerman Securities Corp., The Welsbach Co., Ugite Sales Corp., The Utilities Realty Co., and Sharpe and Dohme. Past president, American Society of Mechanical Engineers.

Also vice-president and member of Executive Committee, Philadelphia Chamber of Commerce; vice-president, Regional Planning Committee, Philadelphia Tri-State District. Active in Engineers Club of Philadelphia, Taylor Society, Franklin Institute, The Manufacturers, Racquet, Poor Richard, University, Midday and Penn Athletic clubs and other charitable and civic organizations.

Active participant in A. G. A. activities.

GEORGE E. WELKER

Chairman, Natural Gas Department

President of United Natural Gas Company, Oil City, Pa.

Born in Oil City, Pa., October 24, 1888. Received B.S. in Chemical Engineering, Clarkson College of Technology, Potsdam, N. Y., in 1909; B.S. in Mining Engineering, Michigan College of Mines in 1910, E.M., 1910.

Civic engineer and geologist, United Fuel Gas Co., Charleston, W. Va., 1910-1912; chief engineer and geologist, Iroquois Natural Gas Corp., Buffalo, 1912-17. Affiliated with United Natural Gas Company, Oil City, since 1918; vice-president and consulting engineer, United Natural Gas Co., Mars Co., 1924-27; president both companies since 1927. President, Ridgway Natural Gas Company, St. Mary's Natural Gas Co., The Sylvania Corp., Smethport Natural Gas Co., and Mercer County Gas Co.

Director and past president of Pennsylvania Natural Gas Men's Association; director, Oil City Chamber of Commerce; member, Managing Committee, Natural Gas Department.

Has acted as consulting engineer in many rate case proceedings before courts and public service commissions in the U. S. and Canada.

HERBERT E. CLIFF

Chairman, Accounting Section

Assistant to general auditor, Public Service Electric and Gas Company, Newark, N. J.

Entered employ of Public Service Electric and Gas Company, October 1, 1924. Long active in American Gas Association and New Jersey Gas Association affairs. Served as member and chairman of several A. G. A. Accounting Section committees. Secretary of New Jersey Gas Association for four years, and president of that organization during 1935-36.

F. M. BANKS

Chairman, Commercial Section

Vice-president in charge of sales, Southern California Gas Company, Los Angeles, California.

Following war service as instructor in Motor Transport Division of U. S. Army, entered Colorado School of Mines. Two years later entered Massachusetts Institute of Technology, graduating in 1922 with B.S. in Electro-chemical Engineering. Became associated with engineering depart-

ment, Southern California Gas Company the same year, later being appointed sales supervisor of the eastern division with headquarters in San Bernardino.

Three years later made assistant to manager, sales department, in Los Angeles. From 1927 to 1930, manager of San Joaquin Valley Division of the company, returning from there to Los Angeles as general superintendent of sales. In 1934 made a director and in 1935 elected to position of vice-president in charge of sales.

Has served as chairman of the Commercial Section and director, Pacific Coast Gas Association.

RALPH L. MANIER

Chairman, Industrial Gas Section

Supervisor of industrial and commercial heat sales and air conditioning for the Syracuse Lighting Company, Inc., Syracuse, N. Y.

Graduate in mechanical engineering, Rensselaer Polytechnic Institute of Troy and a Licensed Professional Engineer in the State of New York.

After two years with the United States Engineering Department, entered the gas industry as cadet engineer with the Municipal Gas Company, Albany, N. Y., where he advanced to works superintendent and industrial gas sales engineer. During the war, was chief inspector, U. S. Ordnance Department, Albany Toluol Plant. Joined staff of Syracuse Lighting Company, Inc. in 1920 as supervisor of industrial and commercial heating sales and now supervises electric heating and air conditioning in addition to mixed and natural gas sales.

Active in American Gas Association since 1924, having served for six years as chairman, Industrial Gas Survey Committee, and chairman of the following additional committees: Competitive Fuel, Utilization Data, Large Volume Water Heating, and Non-Ferrous Metal Treating. Past president, Syracuse chapter, American Society for Metals, and acting president, Central New York Air Conditioning Association.

JOHN A. FREY

Chairman, Manufacturers' Section

President, Detroit-Michigan Stove Company, Detroit.

Entire business career has been with the Detroit-Michigan Stove Company. Started as timekeeper in 1905 and advanced through the following positions: paymaster, 1909; superintendent, 1916; general manager, 1920; and vice-president, 1925. Elected president in 1935.

Director, Detroit-Michigan Stove Company and Detroit Board of Commerce. Member of the Detroit Club, Detroit Golf Club and Detroit Athletic Club.

M. I. MIX

Chairman, Technical Section

Superintendent of distribution, The Peoples Gas Light and Coke Company, Chicago, Illinois.

Born in Chicago, educated in the public schools. Graduated from University of Illinois in 1913, B.S. degree in Mechanical

Engineering. Joined The Peoples Gas Light and Coke Co. in 1914 as station chemist at South Station. Appointed assistant electrical engineer in 1915, in charge of electrolysis investigation and mitigation, installation and maintenance of electrical equipment.

In 1917, became assistant superintendent,

pressure department; in 1923 promoted to superintendent, transmission department, and in 1924, became assistant general superintendent of distribution. Advanced to general superintendent of distribution in 1927.

Served as chairman of the A. G. A. Distribution Committee in 1928.

Gas Industry Trends Are in Right Direction

(From *The Financial World*, October 28, 1936)

LED by the natural gas division, the gas industry in spite of its troubles political and economic, is making encouraging progress. Revenues are improving; total output is up; new business activities are increasing. True, not many of these increases are yet being shown in net earnings, because of rate reductions, staggering tax burdens and increased operating costs, but the trend is definitely upward. For example, in the first seven months of the current year total sales of manufactured gas amounted to 227.83 billion cubic feet as compared with 213.44 billion cubic feet sold in the first seven months of 1935—a gain of 6.7 per cent. During the same period, natural gas sales jumped 18.7 per cent to a new high record of 740.35 billion cubic feet as compared with 623.67 billion cubic feet. Thus, total sales of manufactured and natural gas in the first seven months of 1936 amounted to 968.18 billion cubic feet—a gain of almost 15.7 per cent over the total of 837.11 billion cubic feet of gas sold in the corresponding 1935 period.

As stated above, these sales increases have not all been reflected in net earnings, but the trend is definitely upward. Although aggregate net income figures are not yet available for the current year, gross revenues for the first seven months show a gain of almost 7 per cent, amounting to \$470.02 million as compared with \$439.47 million gross reported in the 1935 period. Gross revenues from manufactured gas alone have declined, but the gains made by the other branch of the industry have been sufficient to swing the total figures to the plus column. Some encouragement may be had from the fact that rate cuts now appear to be largely a matter of the past and the increased sales of manufactured gas—due in part to these cuts—should eventually be reflected favorably in the income account.

From the investor's point of view interest centers largely upon the rapidly expanding natural gas industry. Although natural gas is entering numerous entirely new fields, it must be remembered that some of its gains are being made at the expense of manufactured gas. Although probably not yet completed, natural gas development consisting of the building of

large trunk lines appears to have reached its peak. However, the extension of small lines from existing trunk lines to large and small communities is still in an early stage of development and many new gains can be expected in this field. The sale of the fuel at wholesale to the companies formerly distributing manufactured gas to the cities en route is similar to the developments followed by electric power in recent years.

The larger holding company units have made rapid strides in expanding their natural gas operations and although the Public Utility Act of 1935 is a factor of uncertainty in this as well as in the electrical industry, the securities of the larger and more firmly established companies appear to be suitable for purchase.

Housing Projects Use Gas

MODERN gas kitchen equipment will be included in 25 of the 50 slum clearance and low-rent housing projects on PWA's program, Howard A. Gray, Director of Housing, reported recently to Public Works Administrator Harold L. Ickes. Low costs for gas have been achieved for these projects through wholesale purchase from various public utility companies.

As a means of assuring lowest possible rentals, the Housing Division has contracted for gas cooking service for some 10,359 living units, approximately half the program, Mr. Gray said. In some of the developments, where favorable contracts have been made, gas refrigeration has been planned.

In the 25 projects in which gas is to be used, the average rate made available to the Housing Division is .0836 per therm. By making contracts to consume gas on a wholesale basis, the Housing Division was able to achieve a substantial saving in operating costs for tenants, thus creating savings in operation of their dwellings.

By using gas equipment in the 25 projects specified and purchasing gas on a large scale basis, Mr. Gray reported to Administrator Ickes that it will cost tenants considerably less each month for cooking than heretofore when they were forced to purchase fuel in small amounts for individual home use. This saving they can apply to their rent payments or devote it to other purposes.



President Denning, left, is shown presenting the A. G. A. Meritorious Service Medal to George L. Creely, of Somerville, N. J. Right—George Edward Hitz, of Poughkeepsie, N. Y., receives the Beal Medal from F. A. Lydecker, chairman of the Technical Section



Leon John Willien, of Chicago, left, is pictured receiving the Charles A. Munroe Award from Marcy L. Sperry, chairman of the Award Committee

Convention Honors Three Gas Men

HIGHLIGHT of the final general session at Association's annual convention in Atlantic City was the presentation of awards to three men for their achievements during the year. Leon John Willien, operating gas engineer, Public Utility Engineering and Service Corp. (formerly Byllesby Engineering and Management Corp.), Chicago, received the Charles A. Munroe Award in recognition of his outstanding contribution in the general interest of the gas industry. George Edward Hitz, superintendent of distribution, Central Hudson Gas and Electric Corp., Poughkeepsie, N. Y., was awarded the Beal Medal for contributing the best technical paper to Association meetings during the year. For having performed the most meritorious deed in the saving of life in the industry, George L. Creely, gas distribution superintendent, Public Service Electric and Gas Co., Somerville, N. J., received the A. G. A. Meritorious Service Medal.

The Charles A. Munroe Award was made to Mr. Willien for his "rational and consistent research, success and number of applications, generosity of contributions, originality and usefulness to the industry, in the field of

advanced processes for manufacturing, mixing and transmitting gas."

Presentation of the award, which consists of a substantial financial acknowledgment and engrossed certificate, was made by Marcy L. Sperry, president of the Washington Gas Light Company, Washington, D. C., and chairman of the Charles A. Munroe Award Committee. In addition to Mr. Sperry, the committee was composed of: Charles W. Bradley, vice-president, Public Service Company of Northern Ill., Chicago, Ill., and Harry D. Hancock, engineer, Cities Service Company, New York, N. Y. The committee's recommendation was approved by the Executive Board.

This is not the first time Mr. Willien has been honored by the American Gas Association for noteworthy and meritorious service to the gas industry. In 1928 he received the Beal Medal for contributing the most valuable technical paper presented before a meeting of the Association during the previous year. He was chairman of the Technical Section in 1924, chairman of the Committee on Disposal of Waste from Gas Plants in 1920 and chairman of the Carbonization Committee in 1922. He was a member of the Managing Committee of the Technical Section for many years.

In 1932, Mr. Willien was elected an honorary member of the Pacific Coast Gas Association in recognition for the development of a process for the production of a high B.t.u. manufactured gas with existing equipment, which could be used as a substitute for natural gas in the event of a failure in the natural supply or which could be mixed with natural gas in any proportions to augment the natural gas supply at times of peak loads. This development was voted the most valuable in the gas industry on the Pacific Coast for that year.

Graduated from Rose Polytechnic Institute, Terre Haute, Indiana, in 1906, with a B.S. degree in chemistry, Mr. Willien received his M.S. in 1908 and Ch.E. in 1910. His first position was as analytical chemist in the laboratory of Arthur D. Little, Boston, Mass. From 1907 to 1910 he was chemist for the Springfield Gas Light Company, Springfield, Mass. For the next sixteen years, he was chief chemist and chemical engineer for Charles H. Tenney & Co., Boston, Mass. in charge of gas plant operations and a central chemical testing laboratory. On February 15, 1926, he was appointed gas engineer for Bylesby Engineering and Management Corporation and in 1927 he became operating gas engineer for Bylesby.

He was commissioned Major in Chemical Warfare Service during the World War, serving as Commanding Officer of the Defense Department of the Development Division in Cleveland, Ohio. He is a member of American Gas Association, Mid-West Gas Association, Wisconsin Gas Association and Western Society of Engineers.

Beal Medal Award

Presentation of the Beal Medal was made to Mr. Hitz by F. A. Lydecker, chairman of the Association's Technical Section, acting in behalf of the family of the late W. R.

Beal who established the award in 1897.

The paper which won this conspicuous recognition for Mr. Hitz was entitled "Experience in Leak Proofing Bell and Spigot Joints." Leakage in bell and spigot joints has been a subject of great interest to gas distribution engineers for many years. Mr. Hitz's paper, in the unanimous opinion of the award committee, represents a distinct forward step in improving the efficiency of gas distributing systems.

C. A. Harrison, assistant general manager, Toledo Edison Co., Toledo, Ohio, is chairman of the Beal Medal Committee whose recommendation was approved by the Executive Board. Other members of the committee are: F. A. Lydecker, general superintendent, gas distribution, Public Service Electric and Gas Company, Newark, N. J., and M. I. Mix, superintendent of distribution, The Peoples Gas Light and Coke Co., Chicago, Ill.

The award consists of a bronze medal and a substantial cash payment. It has been bestowed sparingly, the list of those so honored containing the names of many well known leaders of the gas industry. Following are those who have received the medal: Henry L. Doherty, Arthur Glasgow, I. N. Knapp, B. H. Spangenberg, Henry L. Rice, W. H. Gartley, C. J. Ramsburg, H. W. Alrich, L. E. Worthing, C. O. Bond, O. B. Evans, F. E. Steere, E. J. Brady, F. W. Sperr, Jr., A. W. Warner, R. L. Brown, L. J. Willien, Louis Stein, P. T. Dashiell, R. B. Harper, S. S. Tomkins, and W. H. Fulweiler.

Born in 1894 in Poughkeepsie, N. Y., Mr. Hitz was educated in the local public schools, with subsequent special training in his chosen field of endeavor. His connection with the Central Hudson Gas and Electric Corporation began on August 15, 1911 as clerk and utility man in the gas service department, leading up to foreman of the gas meter shop. In 1919 he entered a Cadet Engineering Course in the gas engineering and operating departments, which led to his appointment in 1920 as gas supervisor of the distribution department.

In 1921 he was appointed superintendent of the gas operating department, followed, in 1925, by his appointment as engineer of the gas properties. He took over the duties of superintendent of production in 1928, operating the five gas plants of the company. His present position as superintendent of distribution in the gas department began in 1932.

Mr. Hitz has contributed technical reports to the American Gas Association, The Empire Gas and Electric Association, and many trade papers. Among his recent developments in the distribution of gas are the Service Testing Plug, Ground Aerator, a method of locating leaks in gas mains, and a method of thawing and preventing frozen services.

L. B. Denning, president of the Association, presented the A.G.A. Meritorious Service Medal to Mr. Creely. The act for which Mr. Creely was so singularly honored occurred during a severe electric storm at 2:00 P.M. on May 13, 1936. A bolt of lightning had stuck a 216,000-gallon gasoline stor-

age tank on the property of the Standard Oil Company located on Second Street, Somerville, just adjacent to the property of the gas distribution department of Public Service Electric and Gas Company at the corner of Hamilton and Second Streets. The lightning bolt had opened a seam in the overlapped metal folds along the edge of the tank top for a distance of approximately six feet, allowing gasoline fumes to escape from the tank, which at the time contained 110,000 gallons of gasoline. Escaping fumes from this opening ignited and burned to a height of from two to three feet.

Mr. Creely's Heroic Act

Mr. Creely, who at the time was in his office not far from the Standard Oil Company tank, was advised by Mrs. Warren Moore, 93 Hamilton Street, Somerville, N. J., that the tank was on fire. Upon investigation Mr. Creely saw an arc of flame creeping along the top edge of the tank, and realizing the hazard, and with complete disregard for his personal safety, immediately ran to the tank and climbed the forty-foot iron ladder to the top. Footing was treacherous as the top of the tank is slightly conical, it was wet, and there is no guard rail around the tank. Upon reaching the top of the tank he took off his rain coat and with it started at one end of the burning fumes to subdue the flames. Within a period of five minutes Mr. Creely had extinguished the last flicker of the flames.

George Armstrong, a Public Service Electric and Gas Company employee, followed Mr. Creely to the top of the tank and stood by ready to render assistance if required.

Mr. Creely's bravery and quick thinking as shown by his climbing onto the roof of the tank and extinguishing the fire averted what might have presented a serious situation and would no doubt have resulted in loss of life and considerable damage to surrounding property had the oil tank exploded.

Mr. Creely's courageous work brought him nation-wide acclaim. Newspapers all over the country carried stories of his heroic action, and he was invited to describe the experience over a coast-to-coast hook-up on the radio as a feature of the Kate Smith program. The March of Time re-enacted the exploit in another feature on the air and radio news commentators commended him in their broadcasts of the outstanding news events of the day.

The award consists of a gold medal, button and certificate.

Approved Respiratory Devices Listed

A LIST of all devices for giving respiratory protection which had the official certification of approval of the U. S. Bureau of Mines on August 25, 1936, has been made available. The equipment listed and the manufacturer thereof have met all of the requirements and passed the tests for safety, practicability, and efficiency required at the time approval was granted. The list and schedules of requirements and tests may be secured from the Bureau of Mines.

What They Said in Atlantic City

National advertising of the character we are doing has never yet failed to produce results when an industry sponsoring it had a superior product to sell, and when the units or members of that industry were sufficiently enlightened to identify themselves with every step of the national program.

—T. J. Strickler

America needs 6,700,000 new homes today! New construction for the first nine months of this year has already exceeded new building for all of 1935 by 23 per cent. Contracts awarded for the past August registered the largest monthly total in more than five years. Seventy per cent of all these new homes are single and two-family dwellings, with an attendant gas revenue 116 per cent greater per home than that of an apartment house dwelling unit.

—R. S. Agee

Each and every executive of a combination company should give a few minutes of serious consideration to the fact that when there are existing gas facilities available it is better, generally speaking, to promote gas refrigeration, cooking and water heating than electric from the standpoint of both the company and the customer.

—R. E. Ginna

Our experience and observation indicates that your industrial department should be headed by a man who by training, instinct and experience is a salesman. He should have an engineering background but judge him as a salesman and not as an engineer. Back him up with the engineering talent.

—Frank H. Adams

The glamour of electricity has blinded many people to the modern usefulness of gas. We know there is romance in electricity but there is great need in every large community for gas service. Nor do I mean a left-over field or one at present undeveloped. I mean gas service in its present sphere which covers industrial, commercial and domestic applications.

—Hugh H. Cuthrell

As the bottled gas group pushes forward in its attack on the gas sales frontier, it is developing customers that may later be served by gas mains. This widespread aggressive activity is selling the Gas Idea and will help keep gas paramount in the public's mind as the fuel.

—H. Emerson Thomas

Justified complaints can be reduced and many of them can be eliminated, if managements will study them sufficiently to determine their underlying causes. The formula for improving customer relations, and also our balance sheet, is for management to authorize the steps required and to see to it that each of the causes is actually followed through and overcome.

—Irving K. Peck

Human beings cannot be standardized. Management must capture the mind as well as the brawn of workers.

—Eric A. Nicol

The real merits of gas as an industrial and commercial fuel will be attractively featured in all our advertising—its flexibility; its controllability as to both temperature and furnace atmosphere; its cleanliness; its instant availability; its quick heating characteristics; its suitability for a wide variety of applications; its saving in handling, storage space and labor costs; and its over-all economy and efficiency.

—J. P. Leinroth

While the idea of the value of industrial window displays has taken hold slowly, those companies which have gone into this form of display have developed a consistent, continuing and effective program.

—J. A. Malone

There is perhaps no better volume cooking load "insurance" than a well rounded line of diversified appliances, large and small, using gas in the higher blocks of the rate.

—Lawrence R. Foote

Many thousands of gas engines are now in use, have been furnishing dependable, economical power for years, and it would appear from the experience encountered throughout the country that wherever the rate structure permits and the competitive situation warrants it, a more widespread promotion of their sale is desirable.

—W. W. German

An interesting and valuable development of recent years is the extended use of gas as a carburizing medium in continuous or batch type furnaces.

—Hale A. Clark

Where heat is desired, the use of electrical energy which in its production involves heavy losses, to compete with energy in the form of gas which escapes such losses, is like trying to make water run up hill.

—A. M. Beebe

The A.G.A. Laboratory Seal of Approval would seem to be an increasingly usable and useful selling aid, if it is adequately utilized. It now appears on 93 to 95 per cent of all gas burning appliances sold in the United States and Canada.

—B. J. Mullaney

Competition in the industrial and commercial fields is based on relatively definite and measurable factors. Competition for residential business is far more complex. Comfort, convenience, prejudices and personal habits of individuals are vital factors. For some classes of business intangibles are apparently of as much importance as price.

Neither a low rate nor an attractive form of rate will of itself produce sales. But a well designed rate, well presented to the public, removes the bars to sales, and in itself tends to stimulate the other needed factors—salesmanship and customer satisfaction. The rate thus becomes an invaluable competitive weapon.

—Alfred I. Phillips

The important thing is not which particular advertising tie-in you adopt, but that you do something tangible and striking to identify your company in the eyes of your customers with the national trend to gas which A.G.A. cooperative advertising is helping to get underway. Don't doubt for a minute that there is such a trend. If I'm wrong, then it isn't only the gas business, with its comparatively modest \$500,000 annual budget that is backing the wrong horse to show; it's at least a score of hard bitten experienced national advertisers spending nearly ten times that amount in hitching their wagons to the one-pointed star, which is the gas flame.

—Henry Obermeyer

Almost unlimited markets are waiting to be sold, but they must be sold. We need more dealer outlets to help us do this selling job. A rough estimate indicates that the gas industry has not more than one salesman for every 3,000 customers.

—Charles E. Bennett

Without any doubt you are going to experience a marked increase in your house heating loads if you are prepared to sell the potential business involved in the building boom that is now imminent. In our case, approximately two-thirds of our contracts in 1935 and 1936 covered brand new houses and practically all of them were equipped with gas designed equipment. And what should be of particular significance to the equipment manufacturers is that last year over 80 per cent of these gas installations in new homes were of the warm air type and this year over 95 per cent were of this type.

—E. H. Lewis

There is every probability that America is headed into an extended period of building activity with home building predominating. Of thirty million dwelling units now standing in this country not many more than a million are less than ten years old.

—A. C. Shire

Under present conditions when every coke plant operator is attempting to reduce operating expenses and to obtain a maximum coke credit any means of increasing the value of coke breeze is of considerable interest. One possible means of accomplishing this is to convert at least part of the breeze into salable coke by mixing with the coal prior to carbonization.

—F. J. Pfluke

The gas manufacturing industry has reached a point where it must have gas production equipment in which different types of solid fuels and any available oil for enriching purposes may be used at a moment's notice, to be able to maintain the lowest holder costs. The generating equipment must be flexible and the efficiencies higher than ever.

—R. P. Oliveros

During the period of economic stress there have been many individuals publishing research efforts of major magnitude. However, in each case it appears that the research efforts have been confined, and that more extensive benefits would result had centralized agencies conducted such research with the local research engineers, providing practical data and as pure research developed a fundamental cause, that those engaged in operation of a utility or manufacture of equipment could devote themselves to the production of mechanical equipment.

—Erick Larson

We must recognize the highly competitive nature of our business and view our consumers' meters not merely as gas measuring devices, but as important accessories for rendering satisfactory service.

—D. P. Allen

The physical properties of pipe coating materials are very important in the preparation of a durable and effective protective. The effect of temperature variations, rate of moisture penetration, physical changes which take place in the material after exposure to soil, are among the things we should know more about.

—Charles F. Turner

The ability to perform the job efficiently is developed most rapidly in a worker through instruction—job training. This is the most resultful method of raising to a higher level the performance of a group of workers, or of an individual worker as a rule.

—Eric A. Nicol

The collection department is one of the major custodians of the company's reputation. In no other activity is the human equation more important in influencing public relations. A lenient collection policy, administered at times with poor judgment, may cause more ill-will in a community than would be caused by a strict policy, tempered with reason, which is administered properly.

—John A. Williams

Both in the United States and Great Britain it has been suggested that the gas industry should adopt a small thermal unit of measurement on the theory that such a unit would be more easily understood by the average customer.

—Donald A. Henry

The recent disasters, such as flood at Pittsburgh, the Georgia sleet storm, and the Florida hurricanes, have emphasized the need for radio facilities in dispatching repair crews and accelerating restoration of service to the stricken areas.

—K. Kendall Berlyn

Our experience in heavy oil operation during the last seven years has shown that it is almost impossible to determine from the chemical analysis—specific gravity, viscosity, flash point, Conradson coke, per cent sulphur, distillation, and hydrocarbon tests, etc.—whether a heavy oil under consideration is suitable for gas making.

—H. G. Terzian

The A.G.A. investigation of pipe coatings and corrosion started over 7 years ago. During this time reports by the research associate on field and laboratory coating tests, corrosion surveys, pipe line inspections, cathodic protection, and other phases of the work have been published. The results of this work along with the results of others, will be assembled and arranged in a useful handbook or manual, preparation of which has been authorized by the A.G.A.

—Scott Ewing

It has been estimated that the wage earners of the country lose 250,000,000 working days each year through illness. There can be no doubt that the gas industry is bearing a sizable share of this tremendous loss. The committee is of the opinion that health service should become a permanent part of every industry's program.

—M. F. Reeder

Letter-writing is a function of vital importance. To serve its purpose fully, correspondence must not only convey messages, but it must also create respect, good will, and friendship for the correspondent and the company he represents.

—J. J. Natale

The commercial development of processes for the purification of gas has followed principally the use at ordinary temperatures of the reaction of hydrogen sulfide with solids, such as iron oxide, and with liquids. For several years a research group has investigated the elimination of sulfur compounds along radically different lines, employing elevated temperatures and novel purifying materials, and has developed processes which, it is believed, offer important advantages over conventional processes of purification. These processes relate chiefly to the elimination of organic sulfur by means of catalysts and to the simultaneous removal of hydrogen sulfide and organic sulfur.

—Wilbert J. Huff and Lloyd Logan

The mutual interests of the oil and gas industries have been indicated by statistics showing considerable similarity for both in raw materials used, in transportation methods involved, in products made and in uses of the products of the two industries.

—D. W. Wilson

A pipe line scraper or go-devil for natural gas transmission lines has been developed and successfully used in 8-inch, 14-inch and 22-inch lines with results which indicate that not only may the efficiency of a fouled line be fully restored by internal cleaning with such a device but also that the carrying capacity may be increased even beyond the original normal capacity for new pipe.

—Frank J. Trelease

Particularly in the last decade, conditions have changed in a great many properties. Refinements in the manufacture of gas, and the complete change to natural gas in many situations has resulted in the distribution of gas devoid of those agents which under previous conditions kept our bell and spigot joints more or less tight.

—G. E. Hitz

It is our belief that no gas load should be taken by utilities on which reasonable and competent effort is not made to build up in the customer's mind, by his own experience in the use of gas, definite values which make gas, or, if you please, gas service, superior to the service he obtains from any other fuel. Such values support the rate, increase customer satisfaction, decrease complaints, develop more permanent load, and generally improve industrial relations. If you have a quality product, why not sell the quality with the product?

—L. S. Reagan

If we are to treat our customers fairly we must weld the experience and judgment of the local engineering men with the experience and more diversified talents of the manufacturer. When we do this we more fully discharge our obligation of providing the customer with a service that will be of material benefit to him.

—Leo J. Sullivan

Within the last few years the adaption of convection heating has grown by leaps and bounds. Its radical departure from former methods, having a wide range of application commands the attention and vision of the prospect for industrial gas.

Much has been said and written with regard to air conditioning in theatres, restaurants, office buildings and for industrial operations where control of temperature and humidity play an important part in the comfort of people and production of materials. Gas is scheduled to play an ever growing part in this activity limited only by the aggressiveness of our industry.

—Oliver Lloyd Maddux

Rate schedules can be devised which should be successful in meeting competition in the residential and commercial fields and in securing a substantial volume of industrial business. Such rate schedules should be designed as far as practicable to meet directly the local competition in each particular line of business. Class rates are peculiarly adapted to this purpose.

—Alfred I. Phillips

There is no doubt that we now have adequate gas equipment for both process and comfort air conditioning. The market for process air conditioning is especially definite and wide in scope, there being absolutely no question but that gas-operated dehumidifiers are best suited for this work.

—Charles W. Swenson

The commercial cooking and baking load represents as high as 22 per cent of total gas sales in some gas companies. While this business with its splendid load factor is sold at a high rate in many companies it has not been protected by adequate man power.

—Charles E. Lucke, Jr.

The number of companies that are now paying specific attention to general commercial activities is rapidly increasing. It is our sincere hope that every company will study their commercial sales problem and provide for this important phase of their business, an organization properly equipped to develop it.

—H. A. Sutton

A customer's impression at the time he applies for service influences, to a large degree, his future attitude toward a public utility company.

—R. T. Dudrear

Completely automatic gas engine power units for furnishing motive power for the mechanical refrigeration compressor of any manufacturer will, it is expected, be available in any capacity and any size for next year (1937). These units will simply replace electric motors for driving conventional refrigerating or air conditioning systems. This will be a real boon to gas summer air conditioning, especially in the south and southwest where much cooling is required, where tap water temperature is generally high and the water is expensive, but where cheap natural gas is available.

—L. A. Bickel

The facts are that the gas industry is not in a moribund condition, it is not even on the danger list. We, who believe in the gas business, know that it is here to stay and that any loose talk to the contrary is sponsored by electric competition in a futile attempt to capture the enviable load which the industry now commands. Competition cannot permanently injure the gas load unless it is aided and abetted by inept and haphazard sales methods.

There are now approximately 200 floodlighting jobs in New England. It might interest you to know that some electric men are a little anxious about our activities. Gas companies will do well to investigate gas floodlighting if they really want to increase their commercial load.

—Roy E. Wright

Today we might erect a monument to TVA in the same spirit that the people in Enterprise, Alabama, erected one to the boll weevil a few years ago. We in the gas industry see a greater interest in our various potentials. The natural gas sections in particular are pressing the sale of gas engines for power and air conditioning right into the camp of the power companies. We are making progress! I say, that in many of our potentials we can and are out "TV'ing" TVA.

—E. P. Kramer

Up until a very few years ago, the status of advertising in the gas industry could be described in terms of that celebrated remark of Mark Twain's about the weather. A great deal was said about it, but nothing was ever done about it. But today things are happening advertising-wise in the gas business, and this convention has devoted probably a greater part of its attention to advertising than to any other single subject.

—Don Parry

What our customers think we are is of greater importance than what we really are. We must know first-hand and directly what they think and why they think it. Home Service has been, in our organization, not only the best means of learning these impressions and opinions but the most direct and effective instrument of corrections.

—E. M. Tharp

Progress is being made in natural gas conservation. In the Amarillo district, constructive legislation upheld by court decisions has stopped the stripping of dry gas for its small gasoline content and wastage of residue. Following elimination of waste in the gas area there has been material reduction in gas-oil ratios in the oil-producing parts of the district. In 1935, California produced 305 billion cubic feet of natural gas of which only 6.3 per cent was blown to air. Between 1923 and 1930 from 60 per cent to 25 per cent was blown to the air.

Discoveries of new reserves are apparently keeping well abreast of production.

—John W. Finch

Research and the Gas Industry



Clifford E. Paige

I HAVE asked several people what they would do with a million dollars. I ask you. If your Board of Directors gave you a million dollars, what would you do with it? It is assumed it is not handed to you as a personal gift but for a specific purpose. Suppose the appropriation carried to you this instruction: "Use it to develop the gas industry."

The million dollars I have mentioned is figurative,—large sums so often are! I want you to conceive of a large sum of money, the largest ever devoted to any purpose in this business of ours. I want you to assume the responsibility for useful expenditure in developing further our present national necessity—gas service.

You may dream, you may speculate, you may idealize in your imagination but when it comes to signing checks you must be practical. From your list may be selected possibilities in the order of their importance and value to the future of our business.

"Why" or "Why Not"

The preparation of a list is a challenge to the younger minds in the industry. Older minds don't seem to react. Perhaps the older ones lack the resilience; perhaps they feel they have covered the ground; or maybe they are so concerned over keeping up earnings with what they have, their tired brains cannot rise to the inspiration of new possibilities. The old may furnish the direction and the where-withal; the young must furnish creative thought and ambition. As we grow older, we value friendships more because we make them less easily. Our minds, filled with care and responsibility, tend to grow less responsive, more inclined to walk than to leap.

Delivered before eighteenth annual convention, American Gas Association, Atlantic City, N. J., October 26-30, 1936.

CLIFFORD E. PAIGE,

President, The Brooklyn Union Gas Co.,
Brooklyn, N. Y.

The old say "Why," the young "Why not."

You don't do much of anything without planning. Planning is intelligent only if based on research. So everyone is more or less constantly involved in research problems of one kind or another.

In your thought on this subject you will consider whether your conception should be local or industry-wide. We must assume you have met your local situation with whatever your facilities provide.

Rate Making

You would not propose rate cuts as a national matter because you know that what might serve in one place would not do at all somewhere else. So if your mind runs to rate cuts, it is probably because in your own situation this subject seems paramount. Possibly your mind is not so much on rates as on their background. If you are concerned with the science of rate-making, you must know that ever since competition began to do battle with "what the traffic will bear," rate-making has become an effort at a scientific adjustment of technical and economic factors.

You know, too, that individuals and groups have labored long and mightily and have brought forth a tremendous result. They have even acquired a language of their own. Cooperatively they have conducted the greatest research activity ever undertaken by this industry. While interpretations may vary, they have done much to clarify the principles on which rate forms and structures must be based.

Research, even here, is by no means ended. Those best qualified to speak will tell you that in this vitally important field, it can never end.

Our conventions are really research interludes. We bring in from all directions the latest and best information. We exchange ideas and we test

experiences. The development of our industry has been made possible in considerable degree by our facility for discussion.

More than most industries, we have come to high achievement by improvement of details. Have we anything which was created perfect in the first instance? What eminence we have attained, and it is considerable, has been largely by attention to small things.

Up to now our system of reporting casually on research may have been adequate. We have demonstrated our ability to meet competition, to develop our technique and to improve our administration.

Two things now make us consider our situation in the broadest perspective,—namely, future competition and an opportunity still more fully to render a valuable and necessary public service.

The first step in any program of development is a survey of what is now available—"What can we reason but from what we know?"

Research Local or National?

We have a few decisions to make—shall we approach research as a local or a national project? The answer depends on the next question which is: Do we distinguish between that kind of applied research which improves on details of a recognized article or principle and that kind of pioneering or pure research which enters new fields where imagination is the sole guide and director?

Applied research is "development" and as such is usually best handled as a local undertaking. Its accomplishments may be clarified and expedited by free interchange of knowledge at convention discussions. "Development" is the child of a single-minded energy, vision and resourcefulness. It comes to meet a definite situation with a definite remedy.

Pure or fundamental, research anticipates a need and brings opportunity where none was known to exist. Clearly, this kind of exploratory effort is the concern of all, especially where

an industry may, by its nature, work cooperatively rather than competitively.

In either kind we need not apologize for what we have not done. Quite the contrary, if the achievements could be set down and added up I believe our aggregate would, in consideration of our resources, compare favorably with any. Who else has such a record as that of our own American Gas Association Laboratory?

Enthusiasm and faith, warranted as they surely are, will be more effective business builders than calamity howling and scolding.

If your morale needs a little bucking up, read carefully the recent bulletin from the Association Testing Laboratory, "The Use of Gas and Electricity for Domestic Cooking and Heating." Keep it in mind when you read the romantic advertising of our competitors. Research opens new fields and often recites facts to refute the claims of those who look askance at "truth in advertising."

One of our very good friends felt that to discuss the subject of Research was to admit a fear and acknowledge a weakness. He offers reasons. I cannot agree with his reasons nor his conclusions. We've got to know facts and face them! If the electric range is going to be too much for us—and I have yet to meet a man, gas or electric, who would honestly say so,—would it not be better to find it out ourselves before somebody else does, so that we can redirect our energies?

Role of Science

Dr. Karl T. Compton wrote eleven closely printed pages on The Role of Science, most of which deals with the importance of continuing and developing research. He says: "In any attempt to make science more effective in industry and through it more helpful to the public, certain obstacles must be met and overcome. First, I would mention the so-called 'hard-headed practical business man'—a man without vision, imagination or enthusiasm for new things; a man who scoffs at theory or a college degree; a man whose sole criterion of proper practice is that which he has been accustomed to in the past; a man who spends as little as he can on research in order that his profits, day by day,

may be larger. The withering policies of such men have driven many a flourishing business into obsolescence. If, by accident, a research laboratory has been set up in this man's company, its staff will be among the first to be fired in a depression, thus saving temporarily dollars but losing permanently the capital investment in trained intelligence."

I blush to remember that after some years of painstaking research in a certain direction your Finance and Control Committee, of which I am a member, could hardly find the paltry sum required to publish the report on it and thus make the information available to all. It won't do! Some of us, especially those who have the power to say "yes" or "no" to large questions, have got to decide to get aboard or make true the libelous statements now being circulated about this industry. The gas business is not dead and only your apathy can make it seem so.

Read Mr. Haftenkamp's paper presented at the Empire State Convention early this month. If anyone can absorb this material without a tingle in his spine, he must have a misplaced vertebra. But, as he points out, if you want a worthwhile result you have to earn it.

Cooperation Necessary

As an industry we are cooperative, but the elements that make it up may not be. Is an association formed for each member to help every other member, or do they join defensively to keep up with what the other fellow is doing—or even to be one jump ahead? Participants, when they get bigger than the interests they serve, hurt the business and, in the end, themselves. If the interest in the business is sincere, cooperation of component entities is possible. Can the individual prosper if the larger prospect be endangered?

A contributor says: "There must be cheaper production; manufacturers of generating equipment must get together; they must pool their resources and their ideas, to the end that gas may compete with any fuel which may yet be offered."

We have, as a suggestion, the slogan of Dumas' Three Musketeers—"All for one and one for all."

Investigation of my assignment has

brought out one thing—we use the word "research" rather loosely. Many of us visualize education of our people as research. Perhaps it is. Others hook up publicity as a part of it. The error, if any, is academic.

Our interest is to develop our business; to make it impregnable to competitive raids; to pay interest on our debts and to maintain our bonds as legal investments; to provide our stockholders with dividends and assurance of their continuance; to give our employees a place where they are proud to work; and to earn and enjoy public confidence in our communities. Does it matter whether or not we call this research?

Faith in Research

We know that to accomplish all or any of these things will require—education, study, publicity, and faith. I have never before heard faith included in a program of research but who can deny it a rightful place?

In our company we have done some things. We have made rate cuts, we have put on demonstrations, we have advertised, but I say to you the combined result of all our effort has been transcended by the faith of our people in our business. Of course we haven't asked them to do things or sell things in which they could not believe. Nor have we required them to buy any specified thing or to subscribe to this or that project or principle.

I have said that some of us define research rather loosely. Others I find give it a very narrow definition. What is more reasonable than for the producer to think of research only in terms of the technology of production? The sales manager thinks in terms of sales; his research is concerned with advertising, publicity, education, and performance.

We conclude, therefore, that we are discussing the development of the gas business on an industry-wide basis, that competition and the stimulus to furnish service at a profit are the impetus, and that research effort in this business must be largely local as applied to existing equipment and principles, and national when concerned with the exploration of new possibilities.

If time would permit, I should transmit to you the contents of a great many letters I have received.

They are remarkable, first, because they indicate the widespread interest in the subject and second, the authors evince the careful thought given to it. There is no haphazard comment to get one more knotty request answered.

For years we have heard people say "There ought to be more research"—almost idle words unless a limited and definite plan be available. If it is not limited, it does not and will not get support. If it is not definite, it will not and cannot get results.

I am going to summarize some of what your leaders suggest. Space does not permit complete transcription and that impels me to withhold authorship.

Almost all people on the management side of the gas business agree that a larger sale of gas is the great desideratum. Naturally, this throws a spotlight on new and better outlets.

Range Development

You all know what a wonderful job has been done by our combined undertakings in the development of gas ranges. I think I may surprise you with my next statement. Two English gentlemen were in my office on September fourteenth. The discussion swung around to the state of our industry in America and in England. I ventured the observation that the gas industry of America acknowledged that much of its technological inspiration, especially of some years back, had come from them. Then I said—I'm afraid a bit smugly—that of course with our resources and our researches they could hardly expect to equal the performance of our appliances. The surprise—they stated that their people making tests between English and American ranges of the cooker type found the English appliance more efficient. Wake up America!

On the optimistic side, however, we shall soon have available an improvement in design and performance which will profoundly and favorably affect our business in this direction. I am not "just using words." In order to get this paper together, I had myself to do a bit of research. Announcement here of the details of what I learned would be if not premature at least inept and unfair.

There is an adage—"Fear makes cowards of us all"—I would para-

phrase it to: We are afraid only of what we do not know. Some of our gas people have expressed a fear that the juggernaut electricity would flatten us out to nothing but a memory. Any gas man who gets the facts could not believe that. If he does, he ought to try in some pasture for greener grass which, by the way, he will have difficulty in finding.

Competition

Strange to say, we worry more about the electric competition which may come than the coal and oil which is here and which has definitely affected sendout in many localities. Or is it that we look on the two latter agencies as splendid introductions to the consumer for gas service? One man told me he would like heating his house with oil if his neighbors could be prohibited from using it.

The merit of our product offers plenty of field. Subsidy by competitors may impede our progress but even Croesus couldn't keep on giving away his substance. You have perhaps seen the suggestion that many businesses to escape excess profits taxes might devote this excess to research activities. You may not have this resource available, but you must consider what sacrifice you are prepared to make if our business is to develop its opportunities. Your contributions you may think of as operating costs but if there ever was an investment, research activity is it.

You doubtless saw in the newspapers announcement that two students in MacAlester College had discovered a method of making gas from clover. Further developments will be watched with interest. I mention it to show that we have gas research both inside and outside of our industry.

Running further down the list of contributions to this paper—and there were many—I find a number of people who place great emphasis on publicity, publicity, and yet more publicity, all kinds of publicity. A rather special plea is made to acquaint the buyer of our service with its possibilities, in his or her own language. The thought is expressed that great attention should be given to understanding much more than we do the customer's feelings and desires. This means research in the

entire field of gas service and the personnel of those concerned with it.

A most comprehensive list of prospective possibilities for the natural and manufactured gas industries was given me. For the record, I set it down:—

1. Publicity and advertising.
2. Public Relations.
3. Market analyses and statistical studies.
4. Utilization equipment covering all types of equipment.
5. Rate studies.
6. Personnel relations, including labor and management.
7. Production including at present unknown possibilities of natural gas as well as problems of conservation.
8. Transmission and distribution.
9. Accounting systems and equipment.
10. New uses and new types of apparatus.

This is quite a formidable list and yet it deals only with general subjects. Bear in mind, too, that we may easily confuse development with research.

Tabulating Research

If any industry were considering a program of research, it would start by tabulating all its activities and then selecting those fields where the need seemed greatest or the prospect most promising. This selection must be made by those best qualified to decide and that means the authority which can say "Stop" and "Go."

One of the leading representatives of your industry writes that research is essential to good management. I am sure he agrees to the corollary—Good management is vital to successful research.

It is hard to get money for a specific project; it will be harder to get it for pure research. The donor wants to know, and rightly, in what direction the effort will be made. The job calls for two committees. One which I might designate as a Junior Committee would receive all suggestions, make plans for procedure, determine relative importance of project and submit a report and recommendation to the group which I might designate as a Senior Committee. This group should be composed of men who if they

agreed an enterprise were worth while, could collectively assure its support. This activity should not be delegated nor should it have to wait on presentation by some subordinate who might be especially enthusiastic about one thing but might not appreciate at all the effect on other problems.

The above suggestion is mine. The study on which it is based is taken from a great deal of material furnished me by a number of people. Each makes a good case for any particular activity which he sponsors. Most contributors appreciate that there are widely separated fields for research and that any program must be based on common sense selection and that paying for the job may be difficult.

The judgment of all is unanimous that a start should be made. Their belief is considered and not impulsive. I have found plenty of faith in the gas business. Our appraisal of the problems that face us is candid and should be without fear.

No matter how inherently sound our position may be, we cannot maintain it by neglect or negative and half-hearted support. The forces opposing us are strong, resourceful and aggressive. I do not say they are unfair or unscrupulous. They are enthusiastic and perhaps just a bit given to romancing.

Appeal of Gas

The gas business has never had much natural appeal to the imagination; its directors have never done much to make use of what material there is. We have been conservative rather than hyperbolic in describing our values. We struck a dramatic note with "Ice from heat" and then we called it Electrolux—and lux means light.

Our business fills a public need. If this were not so, promotion, advertising, or research could help it but little. Because we believe in the value of gas service, we offer this paper in the hope that it will stimulate your thinking to the end that the value of our service may be enhanced.

Let me give you a figure or two. The American Gas Association received for dues in 1935 two hundred seventy-five thousand dollars. There was appropriated to Research in that year \$74,750. Not bad—your forward

looking Executive Board put 27.1% of Association dues into the future. This happens to be about 20% of the Association's entire revenue. I have appended to this paper a list of the projects undertaken with the amount appropriated to each one.

The natural gas business in 1935 collected \$358,067,000. Manufactured gas collected \$371,535,000. Three quarters of a billion dollars and the research sponsored collectively by the

companies was one hundredth of one per cent. I told your Finance and Control Committee that I favored an increase in the Association dues, because I believe we have got to organize this thing better and we've got to spend the money to get results. I don't advocate this as a matter of resuscitation or because of any menace hanging over us, but as a wonderful opportunity to develop our industry, our companies and our value to the country.

(Breakdown of Research Expenditures. A.G.A.)

Technical Research—Pipe Coatings.....		\$ 4,000.00
Natural Gas Department Research.....		8,000.00
1. Gas Measurement	\$1,000.00	
2. Open flow gas wells (including publication of report)	5,100.00	
3. Pipe Line Flow	1,900.00	
Laboratory—Approval Requirements Research.....		25,000.00
Industrial Gas Research.....		21,500.00
Domestic Gas Research.....		15,000.00
Resuscitation Research		250.00
Special Research Reports.....		1,000.00
Total		\$74,750.00

Pay Tribute to Memory of Arthur Hewitt

AT a meeting in Atlantic City, October 26, the Executive Board of the American Gas Association adopted the following resolution expressing sorrow at the death of Arthur Hewitt:

"The Board records, with profound regret, the death on September 17, 1936, of Arthur Hewitt, director, past president and charter member of this Association.

"Born in England sixty-eight years ago, Mr. Hewitt came to Toronto, Canada, in 1881, which city he made his permanent home. Several years later he became identified with the Consumers' Gas Company of Toronto, of which he eventually became president. To this company and to the industry of which it was a part he devoted the remaining half-century of his life.

"Mr. Hewitt's interest in the industry he served so long and faithfully was not confined to Canada but extended also to the United States. He was prominent in the American Gas Association from the beginning, being a member of its original Board of Directors and also in its predecessor organization, the National Commercial Gas Association, of which he was a director. He served as president of the American Gas Association for the term 1932-1933, which office he filled with ability and adorned with distinction. The gas industry of both Canada and the United States is greatly his debtor.

"Long a familiar figure at our conventions, he was known far and wide not only among his fellow executives but among the rank and file, all of whom were his friends. Endowed with a rare charm of manner, simple unaffected and sincere, the number of his friends in all walks of life was legion, and he is remembered by them with warm affection. Wherever he went he was a true ambassador of good will,

radiating cheerfulness, courage and optimism. His life is an inspiration to all who come within the influence of his radiant personality.

"In his death we, his associates on the Board of the American Gas Association, lose more than an official colleague whose counsel and advice we greatly value. We lose a dear friend whose memory will be held in constant veneration throughout the years to come. Profound as is our sense of loss at his passing, we yet draw strength from his valiant spirit as reflected in his own words: 'Let us face the future not with an unconquerable despair but with a great hope.'"

Walton Forstall Retires

CONRAD N. LAUER, president of The Philadelphia Gas Works Company, announced October 22 that Walton Forstall, vice-president in charge of distribution, desiring to retire, had tendered his resignation, to become effective October 31, 1936.

H. B. Andersen, at present engineer of distribution, will assume charge of the Distribution Department beginning next month. A further executive change will place H. D. Lehman, now superintendent of the Customers Service Division, as manager of the Customers Service Department. Both of these officials have been associated with the operation of the municipally owned gas works for many years.

Mr. Forstall is the senior executive of the company in point of service, having first begun his work at the Philadelphia gas works as assistant engineer of distribution on February 7, 1898. It has been largely under his direction that the great development of underground gas mains and services of the past thirty-five years has taken place.

Water Heater Manual in New Loose-Leaf Form

DEMAND for the Gas Appliance Service Manual on Water Heaters has been so heavy that a second printing was necessary.

This valuable tool, second in the series of appliance servicing manuals, should be in the possession of every fitter and serviceman. It is indispensable in the proper adjustment and installation of water heaters of all types; in fact, many companies find the manual most useful to give to leading plumbers and dealers to help them in their work in installation and service. The book is available at \$1.00 per copy in a new loose-leaf form.

The book includes general information to the fitter on the subject of water heating by gas and by competitive fuels, and then, in Part II, each individual make of water heater control is considered in detail. The book is profusely illustrated with drawings specially prepared for the fitter. These are designed to give him condensed working instruction on the adjustment of various controls without cross reference to the text. In other words, for quick reminder, it is only necessary to give a glance at the drawing to be able to give the customer the proper service.

It is clear that with the growing complexity and variety of controls no fitter can remember his schooling sufficiently to meet all problems in the field. A copy of this book on the truck or in his kit will prove its worth many times over when confronted with an unfamiliar device.

Mail your order now to the American Gas Association, 420 Lexington Avenue, New York, N. Y.

Booklet Gives Volume Cooking Hints

IN response to the request of two large hotel chains, the American Gas Association prepared a questionnaire to help the hotel management improve the use of gas in their kitchens. This proved to be so popular that it was decided to publish the questions in booklet form and make them available for all gas companies.

"Helpful Hints for Volume Cooking with Gas" is the title of the attractive booklet prepared for distribution by all gas companies to their commercial cooking customers. The booklet contains 38 questions and answers of interest to the commercial gas kitchen operator. There are several interesting reprints on the newer knowledge of meat cookery on how to reduce fuel costs which should be of value and interest to the chef as well as the management.

The booklets are profusely illustrated with before-and-after pictures showing

what can be done in the modernizing of a commercial kitchen.

The booklet is available for:

25 copies	\$ 3.75
50 copies	6.00
100 copies	9.50
500 copies	40.00
1000 copies	75.00

Prices for additional copies on request. Imprinting 50 cents a hundred extra. Orders should be addressed to the American Gas Association, 420 Lexington Avenue, New York, N. Y.

Book Review

"Domestic Utilization of Gas"—Part II by Norman S. Smith and R. N. Le Fevre.

This book forms the second part of the authors' treatment of "Domestic Utilization of Gas," the first part of which has already been reviewed on these pages.

The appearance of the book at this time is interesting not only for a valuable treatment of the subject but for the comparison which it affords with American practice which is now being set forth in a similar manner in a series of articles by R. V. Davis in *Gas Age Record-Natural Gas* and C. W. Merriam, Jr., in *American Gas Journal*.

Part II has five chapters covering "Combustion" with particular reference to the hygienic effects of gas combustion on room air; "The Use and Operation of Pressure Regulators"; a chapter on the "Water Heating Load" and "Refrigeration" and the concluding chapter on "Inferential Measurement of Gas."

"Domestic Utilization of Gas" is handsomely bound in imitation leather, 8½" x 5½", 136 pages, and is available from the offices of Walter King, Ltd., 11, Bolt Court, Fleet Street, London, E.C. 4, England. Price—5s. 6d.

C. George Segeler

Halloran Appointed Gas Sales Advisor

THOMAS W. HALLORAN has been appointed gas sales advisor for the entire New York Power and Light territory. In this capacity, Mr. Halloran will cooperate with all gas districts of the company in promoting the use of gas for industrial, commercial, and residential purposes. His headquarters will be in Albany, N. Y., and he will report to R. P. Wagner, commercial manager.

Mr. Halloran has been connected with the New York Power organization since 1929 as supervisor of gas heating and air conditioning sales.

"Down Under" Goes Gas

DURING the year ended June 30, 1936, 3,454 new residences were erected in the territory of the Metropolitan Gas Company of Melbourne, Australia. In these new homes 3,416 gas ranges, 2,359 gas water heaters and 2,716 gas wash coppers were installed, one gas copper often serving several flats.

Sales of gas ranges increased 31 per cent over the preceding twelve months, water heaters increasing 92 per cent, gas fires and radiators more than 100 per cent and wash coppers increasing 240 per cent. Out of 542 wash coppers sold during a short campaign, 421 represented conversions from other fuels. Among the larger commercial sales was a complete set of new gas cooking equipment for the Government House of the State of Victoria.

The annual report to the shareholders relates the difficulties due to a coal mining strike, when the only English coal offered was unsuitable for gas production and, "after very careful enquiries and negotiations, orders were placed for two shipments of American coal, and these were dispatched from Baltimore early in January last."

The annual report also is at hand of the South Australia Gas Company at Adelaide whose Director, Sir Wallace Bruce, was recently a visitor to the United States. The

report refers to a decrease in revenue from gas sales due in part to the economy of the modern gas range. The following are extracts:

"It is safe to say that with the recent remarkable improvements in efficiency, appearance, speed, and cleanliness, combined with automatic control, our experience, as is the case in the other States and overseas, shows that the gas industry must make still greater progress. Included in the new business are sales of gas in volume to industries such as motor body builders, paint manufacturers, timber drying chambers, hall and theatre heating, and so on.

"Very satisfactory features of the orders received for new domestic appliances are that we are securing in new houses in gas areas approximately 70 per cent of the cooking and water heating load, and that in the domestic and commercial fields there is an insistent and increasing demand for gas for hot water services, both storage and instantaneous, for which purpose gas is undoubtedly better suited than any of its competitors.

"I might mention that air-cooled refrigeration by gas, both domestic and commercial, is now well on the way. We expect to be able to supply during the coming summer these units, which are simple, silent, and trouble free. In England the demand exceeds the supply."

Affiliated Association Activities

Empire State Gas and Electric Association



E. R. Acker

ONE HUNDRED and FORTY executives, junior executives and department heads of the various gas and electric companies of New York State met for the thirty-first annual convention of the Empire State Gas and Electric Association at Saranac Inn, on Octo-

ber 1 and 2.

E. R. Acker, who a few days before at a meeting of the executive committee, had been elected president, presided at the opening session with J. P. Hatfenkamp, vice-president, presiding at the second session.

A splendid array of talks and papers covering problems of management was presented by prominent speakers within and without the industry.

President Acker reviewed the activities of the association over the past year with some pertinent suggestions as to a future course. Announcement was made of the resignation, due to ill health, of the association's secretary, C. H. B. Chapin.

Denning Speaker

L. B. Denning, president of the American Gas Association, spoke on the National and State Association relationships and outlined a plan of employee selling which has been undertaken by his company at Dallas, Texas, with considerable success.

Combination gas and electric service from the standpoint of the customer's interest was the subject of a forceful and critical address by J. P. Hatfenkamp, vice-president of the Rochester Gas and Electric Corporation. Analysis of a survey among employee customers on service preference was presented showing most enlightening results.

In a paper discussing the place of management in accounting regulation, H. C. Davidson, secretary, Consolidated Edison Company of New York, reviewed the year's work of accounting groups in their labors over the prescribed accounting system promulgated by the Federal Power Commission and the Association of Utility Commissioners. A strong plea was made for the development of a system with the aid and participation of the industry itself.

Marion B. Folsom, treasurer, Eastman Kodak Company, spoke on social security. He reviewed the Federal and New York State Acts and pointed out the inconsistency of some of their provisions.

H. C. Thuerk, assistant to the vice-president, Utility Management Corporation,

gave an illustrated talk describing the organization of a group of Minute Men in his company, consisting of employees especially trained in handling many diverse problems in regard to public relations.

Other speakers were: Alfred H. Schoellkopf, president, Niagara Hudson Power Corp.; C. W. Kellogg, president, Edison Electric Institute; Colonel Charles G. Blakeslee, former counsel, New York State Public Service Commission; and Samuel B. Botsford, executive vice-president, Buffalo Chamber of Commerce.

Mid-West Gas School and Conference

THE Mid-West Gas Association's sixteenth gas school and conference will be held in Ames, Iowa, November 18-21. Sponsored jointly by the Association and Iowa State College, the conference which started as a meter school has developed into one of the most educational gas conferences in the country.

Robert L. Klar, chairman of the Conference Committee, has announced a comprehensive program covering many phases of gas practice. Some of the subjects to be covered include: Studies and recommendations concerning chimney troubles; Discussion of the unaccounted-for gas problem, covering maintenance of distribution systems and one or more experiments with Carboseal; Winter troubles, such as frozen services, frozen mains, pilot stoppages, etc.; Better services and replacement of services; Use of wide range orifice meters.

Other topics on the program will be: Humidification and fogging, and its relation to the unaccounted-for gas problem; Pressure control to reduce leakage; Displacement meters in the measurement of high and low pressure gas; Classification of complaints; Methods of improving heating plants for gas fuel; Butane as a standby, both for correction of burning characteristics and peak load control; Manufacture of blue gas with soft coal for generator fuel.

It is also hoped to have a paper on the manufacture of high B.t.u. gas in a modified water gas machine.

Attractive entertainment features are being arranged for the benefit of those in attendance.

New England Gas Association

THE first meeting of the sales division of the New England Gas Association which has been held outside of Boston in eight years, was held at the Hotel Bond, Hartford, on Friday evening, October 16, with a gratifying attendance of 280 persons.

A change in the type of program was introduced in that several companies were invited to present papers on the activities in which they had achieved outstanding success. This type of meeting contrasted with the former practice of having speakers from several different companies cover different angles of one main subject or theme.

R. J. Rutherford, New England Gas and

Convention Calendar

NOVEMBER

- 9-12 American Petroleum Institute
Stevens Hotel, Chicago, Ill.
- 18-21 Sixteenth Gas School and Conference
Iowa State College, Ames, Iowa

DECEMBER

- 7-8 National Industrial Council—National Association of Manufacturers
Waldorf Hotel, New York, N. Y.
- 9-10 National Association of Manufacturers
Waldorf Hotel, New York, N. Y.

1937

JANUARY

- 25-27 American Society of Heating & Ventilating Engineers
Hotel Statler, St. Louis, Mo.

FEBRUARY

- 10-12 Southern Gas Association—Southwest Regional Gas Sales Conference
Peabody Hotel, Memphis, Tenn.

MARCH

- Wisconsin Utilities Association—Gas Section

JUNE

- 10-11 Canadian Gas Association
Chateau Laurier Hotel, Ottawa, Canada
- 24-26 American Society of Heating and Ventilating Engineers
New Ocean House, Swampscott, Mass.

Electric Association, Cambridge, Mass., chairman, presided at the meeting. R. A. Malony, sales manager, Bridgeport Gas Light Company, was chairman of the program committee.

The following papers were presented in the order listed: "The Value of the Sales Department" by N. B. Bertolette, "Water Heating and Range Sales" by B. H. Dingley, "The Need of Employee Sales Participation" by R. H. Knowlton, "Kitchen Planning and Kitchen Heating" by W. M. Walsh, "National Advertising" by H. R. Sterrett, "Refrigeration Activities in New Haven" by Judson Hull, "The Progress of the Gas Industry" by George S. Hawley and "House Heating and Commercial Sales" by R. A. Malony.

New Jersey Gas Association

THE fourth annual series of regional meetings of the New Jersey Gas Association will be held at five points in the State starting with the Asbury Park meeting on November 10, and ending with the Camden meeting on November 24. Other meetings will be held at Newark on November 12, Hackensack on November 13, and Vineland on November 18. Last year these meetings attracted over 2,000 persons from the ten gas company and forty-five manufacturing company members. It is expected that a similar number will be present at this year's series of meetings.

William Walsh, of the Elizabethtown Consolidated Gas Company, will appear at all of the meetings to discuss the flexibility of gas for cooking. This subject is particularly timely because of the desire to increase the domestic use of gas by making home cooking more popular.

A playlet demonstrating the sale of an automatic gas water heater at an evening call on a husband and wife will be instructive to the sales group, and to the non-selling employees. It will show the latter group what the salesman does with employee leads, and is aptly entitled "Work for the Salesman, and He Will Work for You."

The subject for the Prize Paper Contest will be announced at these meetings. Last year over seventy persons competed for the six prizes, the first of which is \$50 in cash. Pamphlets describing the conditions required for participation will be distributed.

An important part of the program will be the entertainment and refreshments that will conclude the evening. Posters announcing the exact times and places will be displayed at all properties of member gas companies as soon as final meeting arrangements are made.

Pennsylvania Gas Association

ACCORDING to announcement of F. W. Lesley, secretary of the Pennsylvania Gas Association, the Time and Place Committee of that Association has again selected the Lodge of Sky Top Club, Sky Top, Pa., and May 4, 5 and 6, 1937 as the time and place for its next annual convention.

Toronto Company Appoints Bradshaw and Tucker



E. J. Tucker

death.

Mr. Bradshaw for some years was Finance Commissioner of Toronto. He has been a director of the Consumers' Gas Co. since April, 1930, and is a director of a number of other companies and institutions.

Edward J. Tucker has been with the company for 26 years, beginning as a junior clerk in 1910, working through the var-

THOMAS BRADSHAW, president of the North American Life Insurance Co., has been elected president of the Consumers' Gas Co. of Toronto to succeed the late Arthur Hewitt who died Sept. 17.

Edward J. Tucker was appointed general manager, a position also made vacant by Mr. Hewitt's

ious departments until he became head of the accounting department. He was made assistant to the general manager in 1928 and in 1930 was appointed assistant general manager.

On the death of John Armstrong in 1931 Mr. Tucker became secretary of the company, in addition to his other duties. He is vice-president of the Canadian Gas Association and vice-chairman of the Accounting Section of the American Gas Association. He is 46 years of age and a native of Bristol, England. He went to Canada in 1909.

Noted Utility Lawyer Dies

JOHAN ANSON GARVER, senior member of the New York law firm of Shearman and Sterling, and counsel, trustee and director of the Consolidated Edison Company of New York for many years, died October 23. He was eighty-three years old.

Mr. Garver was a director of many business organizations and a prominent member of the bar. He was widely known for his work as counsel to the old Consolidated Gas Company of New York.

National Better Kitchen Contest Offers Unusual Tie-in Features

GAS companies have a real opportunity in the recently announced Better Kitchen Contest sponsored by *Better Homes and Gardens*. Cash prizes of \$2100 are being offered in a nationwide kitchen modernization contest. The contest is divided into two classes: one for remodeled modern kitchens and the other for newly built modern kitchens. Any projects completed between September 1, 1936, and August 31, 1937, will be eligible for the cash prizes.

Prizes in each class are: First, \$500; second, \$250; third, \$125; fourth, \$75; fifth, \$50. Winning entrants in the remodeled kitchen class will receive a special cash bonus of ten per cent of their prize money if they submit "before" photographs with their entries.

Many gas companies have indicated their desire to tie in with the contest. One of the first to announce actual participation was the Rochester Gas and Electric Corporation, Rochester, N. Y. The Rochester company is conducting a local Better Kitchen Contest in cooperation with the *Better Homes and Gardens* national contest. Cash prizes totaling \$1,000 are being offered to the local winners. First prize in each class is \$200; second prize, \$100, and four third prizes, \$50 each.

Better Homes and Gardens in the announcement of the national contest suggests that its readers consult the local Kitchen Planning group in their own cities

and points out that these groups are prepared to give help and advice in building and remodeling kitchens.

A merchandising service has been developed which is available to all utilities for use in their retail outlets. This material includes a supply of four-page entry blanks, blown-up covers of the October issue of *Better Homes and Gardens*, copies of the 32-page Kitchen Planning Book and display posters announcing the contest.

"The decision to stage such a contest," states Elmer T. Peterson, editor of *Better Homes and Gardens*, "was greatly influenced by the success of the previous five Better Homes Contests plus our belief that we can be of editorial assistance in making the homes of America better homes with more comfort through use of modern equipment."

"According to figures based on tabulations of final entry forms from the 1935 contest, we found that kitchens came in for a large part of the home-owners' expenditures in remodeling their homes. It is important to note that in the remodeling section 43 per cent of the entrants purchased kitchen equipment; 26 per cent put in new stoves; 16 per cent installed mechanical refrigerators—all significant figures to the gas industry."

Details concerning the contest may be obtained from the Better Kitchens Contest Editor, *Better Homes and Gardens*, Des Moines, Iowa.

Natural Gas Department

George E. Welker, Chairman

A. E. Higgins, Secretary

Robert W. Hendee, Vice-Chairman

Large Numbers of Natural Gas Men Attend Convention

*William Moeller, Jr.*

WITH approximately 450 in attendance the annual meeting of the Natural Gas Department took place Monday afternoon, October 26, in the Hotel Ambassador, Atlantic City, N. J., in conjunction with the Association's annual convention.

It was announced that the next convention of the Natural Gas Department would be held in Kansas City, Mo., in the early part of May. For the first time since 1929 a manufacturers' exhibition of gas appliances and equipment will be an adjunct of the natural gas convention.

The largest crowd ever to turn out for the annual meeting and dinner of the Executive, Managing and Advisory Committees, was present at this function which was held in the Hotel Ambassador.

New officers elected for the coming year are: chairman, George E. Welker, president, United Natural Gas Company, Oil City, Pa.; vice-chairman, Robert W. Hendee, Colorado Interstate Gas Company, Colorado Springs, Colo.

William Moeller, Jr., vice-president, Southern California Gas Company, Los Angeles, and chairman of the department, presided throughout the meeting. In his opening remarks, Mr. Moeller called attention to the two important projects completed during the year by the Main Technical and Research Committee under the guidance of H. C. Cooper; namely Monograph 6—A Report on Flow of Natural Gas Through High Pressure Pipelines, which is the work of H. D. Hancock's committee, and Monograph 7—Back Pressure Data on Natural Gas Wells, which is the work of a committee under N. C. McGowen.

Mr. Moeller reported that three new committees were organized for work on current operating problems last year, one on Natural Gas Production, another on

Transmission and Compression, and the third on Natural Gas Utilization and Sales Promotion.

Mr. Moeller strongly recommended that the department render a greater service to the natural gas industry "by stimulating and encouraging more committee activity on current operating problems incident to production, compression and transmission of natural gas." "Such activity," he said, "should tend to make the members of the department better acquainted with one another, should stimulate greater exchange of thoughts and ideas throughout the year, and should work toward a speedy solution of many of our operating problems."

Following Mr. Moeller's remarks, Mr. Cooper presented the report of the Main Technical and Research Committee, which had held an open meeting that morning. Among the projects to be extended this year is a study of gas hydrates, which is being done under a cooperative agreement with the United States Bureau of Mines. Mr. Deaton, of the Amarillo

*Annual dinner of the Executive, Managing and Advisory Committees of the Natural Gas Department during the convention*

station of the Bureau, is conducting field tests under the supervision of H. D. Hancock's Committee on Pipe Line Flow. It is expected to have considerable information to report at the department's annual meeting in May.

The Committee on Gaging Gas Well Deliveries, N. C. McGowen, chairman, is making a study of gas-oil ratios in the proper conservation of both gas and oil in production stages. A report on this project will also be made in May.

The Wrinkle Committee, John H. Schalek, chairman, reported the publication of 120 wrinkles. Distribution wrinkles led the entries with 40 wrinkles, closely followed by 36 wrinkles in the Transmission classification. The wrinkles entered under Safety numbered 23, an unusually high percentage. Production followed with 14 entries, leaving 7 wrinkles classified as Office. These wrinkles came from 42 communities located in seven states and Canada. E. A. Clark, D. P. Hartson and J. L. Foster acted as judges of the contest.

Pipeline Scraper Described

An interesting paper presented at this meeting was that by F. J. Trelease, of Ford, Bacon and Davis, Inc., New York, on "Improving Capacity of Large Transmission Pipelines by Internal Cleaning with Pipeline Scraper." This paper describes the development and construction of a pipeline scraper or go-devil for natural gas transmission lines and its successful use in 8", 14" and 22" lines, with results which indicate that not only may the efficiency of a fouled line be fully restored by internal cleaning with such a device but also that the carrying capacity may be increased even beyond the original normal capacity for new pipe.

Frank H. Adams, general manager, Surface Combustion Corporation, Toledo, Ohio, presented an outstanding paper at this meeting on the trend of natural gas in industry. Figures cited by Mr. Adams in opening his paper indicated that the past trend of natural gas in industry is most reassuring.

The industrial and commercial send-out of natural gas for 1929 was over 647,000,000 M cu.ft., Mr. Adams said. In 1935 it was over 734,000,000 M cu.ft., an increase of 13 per cent. In this same period industrial production decreased 33 per cent as measured by the Standard Statistics Index of Industrial Production. The number of mixed and natural gas meters increased from 5,116,000 in 1929 to 7,861,000 in 1935, an increase of more than 53 per cent. The total industrial and commercial sendout of manufactured, mixed and natural gases increased from almost 698,000,000 M cu.ft. in 1929 to more than 781,000,000 M cu.ft. in 1935, an increase of 12 per cent.

The factors which have influenced this trend, as stated by Mr. Adams, are: (1) The further extension of natural gas pipe lines to new areas. (2) The rate of industrial production. (3) The competitive val-

ues of gas for industry. (4) New potentials created by improvements in processes and new developments. (5) Merchandising plans and policies for realizing the market potentials of gas. "The performance and position of gas in industry today is an established fact," he said. "Gas is the only medium which can supply both heat and atmosphere—the twin requisites of present-day heat-treating processes."

A summary of the present commercial development of the unitary thermal polymerization process was presented by Dr.

J. S. Carey of the M. W. Kellogg Company, Jersey City, N. J. This process involves the conversion of the lower boiling hydrocarbons from refinery residues and natural gas into motor fuels. It has been in continuous and successful operation, Dr. Carey said, for an extended period in the Alamo refinery of the Phillips Petroleum Company at Borger, Texas. This company has recently completed the installation of additional capacity at Borger, with several more units in process of construction or final design.

Great Gas Selling Job in Thriving Ontario City

JUST one year ago, the City Gas Company of London, Ontario, a subsidiary of the Union Gas Company of Canada, Limited, Chatham, Ontario, introduced natural gas, replacing the artificial product used for more than half a century. With the introduction by the company of a house heating rental plan, backed up by aggressive and intelligent sales efforts, the demand for gas house heating was practically instantaneous in all sections of that city of 80,000.

The company reports that in the twelve months no less than 5,273 central house heating jobs have been contracted for. In addition, gas heating stoves, radiant gas fires, circulating heaters and space heaters are going out by hundreds.

Out of 12,298 centrally heated houses in London, gas has replaced other fuel in almost one-half of the homes inside of twelve months, possibly a record in public response.

One reason for such outstanding public acceptance is the existence of an unusual degree of goodwill between the company and the citizens; a goodwill which the City Gas Company loses no opportunity of fostering.

In an anniversary advertisement, the promises made to the public when the alteration in the franchise was sought a year before, were boldly reprinted and the company was able to show by facts and figures that its every undertaking had been faithfully carried out and every promise made had been performed in more than full measure.

The conviction on the part of the public that the City Gas Company's word is as good as its bond, plus the fact that the product proved its worth with all classes from the start, generated an enthusiasm that has been expressed by the people of London in heavy buying of gas equipment, with orders still pouring in.

Dealers in gas appliances have benefited greatly by the impetus in buying and latest reports indicate that the demand will continue to grow as satisfied users tell others and the hesitant are brought into line by sheer weight of favorable testimony.

Heavy outlays were necessary to enable

the company to make natural gas available to its customers. The task included the laying of 60 miles of pipe line in the gas fields and to the city and 44 miles of gas mains inside the city limits. In addition, 40 miles of duplicate pipe line are now being laid. The company's expenditures on labor and equipment have been a notable factor in reducing unemployment in London and adjacent territory. This contribution to the general welfare has served to enhance the already high degree of goodwill existing between the public and its utility servant.

Natural Gas Reserves of Central Michigan

ACAREFUL analysis of production and subsurface data pertaining to the Michigan "Stray" sandstone horizon of central Michigan (Report of Investigations 3313) made by the United States Bureau of Mines, Department of the Interior, indicates that proved and semi-proved gas reserves warrant supplying local market requirements, both domestic and industrial, and planning pipe-line projects to Michigan's smaller cities; compatible with the known reserves, allowable gas withdrawals, and monetary investment in transmission and field pipe-line facilities. However, projects involving large investment of money for transportation facilities to considerable distances should not be initiated until gas reserves and availability of these reserves are sufficient to warrant them, according to the Bureau's analysis.

The total proved and semi-proved initial recoverable gas reserve from the central Michigan area, based upon a correction factor of 90 per cent and an abandonment pressure of 125 pounds per square inch absolute at the well head, was estimated to be approximately 48,200,000,000 cubic feet of gas. About 6,000,000,000 cubic feet had been withdrawn from the gas fields prior to February 1936. The proved and semi-proved net recoverable reserve was, therefore, approximately 42,200,000,000 cubic feet.

Accounting Section

Herbert E. Cliff, Chairman

H. W. Hartman, Secretary

E. J. Tucker, Vice-Chairman

Developments in Uniform Classification of Accounts

By H. C. HASBROUCK

H. C. Hopson & Co., New York, N. Y.

THE title of my brief paper appears on the program as "Developments in Uniform Classification of Accounts." This is so broad a subject that a full discussion of it in all its aspects would require the entire time of these accounting sessions. Since there are other matters in which we are all interested and which deserve our attention, I shall confine my brief discussion, first, to a rapid review of what I conceive to be the recent tendency of accounting regulation by governmental authority; second, a statement of the immediate problems that confront the industry in this connection; and third, the expression of some views of my own with which not all of you will, perhaps, agree, on principles of uniform accounting and governmental regulation of accounting practices.

So far as I am aware, the first attempts to establish by regulatory authority uniform accounting standards for the gas industry were made by the Massachusetts Board of Gas Commissioners in 1886. It is interesting to note from the Second Annual Report of the Massachusetts Board of Gas Commissioners dated January 1887 that complaints against the system of bookkeeping prescribed by the Board "were usually on the ground of the labor involved or expense incurred for such labor." It further appears from the same report that many of the objections were to the double entry, accrual system prescribed by the Board to supersede the simple record of cash receipts and disbursements which is all that the objecting companies had been in the habit of keeping. These objections the Board found "not reasonable." However, the report notes:

"From the large companies, which usually employ skilled accountants, there has been but little complaint; and notwithstanding the fact that accountants are, as a rule, not inclined to indorse new forms, that class of companies was the first to adopt any changes required to make their accounts conform to the plan prescribed."

The "General Instructions regarding the Form for the Books and Accounts to be kept by Gas Companies," which appear as Appendix B to the Board's Second Annual Report, are interesting but time

will not permit dealing with them at length. There were twenty-three expense accounts. The text for the ledger account entitled "Cost of Works" reads as follows:

"This account should show, either in detail or in one 'Construction Account' (as may have been the custom of the Company), the cost of the Company's works, including street mains, meters and holders, as they stood on its books on the 30th day of June, 1886. Any company which has not heretofore kept such an account should open it now with the present estimated value (in detail, if possible) of its works. Important additions to works and extensions of mains should be charged to this account. Any contributions towards the cost of such extensions to be credited to this account."

In June, 1887, the legislature gave the Board of Gas Commissioners jurisdiction over electric light companies and constituted it a Board of Gas and Electric Light Commissioners. The Board promptly issued "General Instructions regarding the Form for the Books and Accounts to be kept by Electric Light Companies," which appear as Appendix D of the Board's Third Annual Report.

Wisconsin and N. Y. Systems

Massachusetts seems to have maintained its lonely eminence in the regulation of accounting by gas and electric utilities until about 1907 or 1908, when governmental regulation of public utilities began to be pretty generally established. The powers of the Interstate Commerce Commission were increased and it issued its first classifications of accounts for steam railroads. Public service commissions with very broad powers were set up in Wisconsin and New York and most of the other states quickly followed their example. Among the first acts of the Wisconsin and New York commissions thus established were the promulgation of uniform systems of accounts.

To a considerable extent the laws establishing the other state regulatory commissions were patterned on the New York and Wisconsin laws, and most of the newly created state commissions adopted

accounting classifications following the general outline of those promulgated by the New York and Wisconsin commissions. The emphasis in these early classifications was for obtaining information in the most usable form and not upon restricting the power of the industry to conduct its own business in its own way as long as it continued to perform its essential function of giving good service at a fair price.

Lack of Uniformity

There were enough differences in the accounting classifications prescribed by various states to be annoying and costly as the light and power industry grew and developed into larger economic units for which state boundaries were artificial divisions. Efforts of the electric and gas accountants for a national uniform standard came to a head in a resolution adopted by the National Association of Railroad and Utilities Commissioners at its annual convention in Indianapolis in 1919, placing upon its standing Committee on Statistics and Accounts of Public Utilities the duty of formulating and presenting to the Association uniform accounting systems for utilities other than railroads. The work of this Committee, which was accomplished in close cooperation with the accountants of the industry, culminated in the Uniform Classifications of Accounts for Electric and Gas Utilities which were presented to the National Association of Railroad and Utilities Commissioners and approved by it at its annual convention in 1920. With some revisions approved by the Association in 1922, these classifications were adopted by most of the state commissions and still remain effective in a majority of the states. They were quite generally adopted as standards by the light and power industry and have, on the whole, served their purpose well.

It is difficult to say just when the idea of uniform accounting as an efficient instrument for obtaining information began to be supplemented, and perhaps by now we may say superseded in many quarters, by the notion that a classification of accounts should be framed so as to control rigidly the underlying financial and operating policies of public utility management. The tendency toward this idea, however, is the characteristic development in the field of public utility accounting today. A paper entitled, "Reg-

Delivered before eighteenth annual convention, American Gas Association, Atlantic City, N. J., October 26-30, 1936.

ulation by Accounting—An Innovation" by Park Chamberlain, an attorney at the time representing the United Light and Power Company, presented before the Illinois Public Utilities Association on April 5, 1935, contains some well expressed descriptions of this tendency. Mr. Chamberlain's paper had reference particularly to a classification then recently issued by the Wisconsin Commission but the statements which I quote below from that paper have a general application to certain tendencies of state and Federal regulation today with which we are all painfully familiar.

"Accounting, in its modern concept, is the art of accurately recording the financial transactions of a business enterprise and correctly portraying its investment in property, its equities and its income. It is essentially factual. It is a friend, not a foe, to business.

"Consequently, when a new system of accounts is proposed, which adds refinements to a former satisfactory system, the manager is apt to shrug his shoulders and dismiss it from his thought as one more unnecessary, expensive annoyance to be put up with, but nothing more serious. He little dreams that there may be concealed within the system provisions which defeat the very purpose of accounting; which prevent a reflection of the true income, as well as of the actual investment in property; which deprive the owner of his property, his constitutional rights, and almost the last vestige of his managerial power.

"Every decade brings on its horde of reformers and this one has been no exception. . . . They have originated radical measures by the score and have succeeded in getting them before the legislatures of their states. . . . Tempered with intelligent business judgment, their own bills came out quite unrecognizable and ineffective for their radical purposes. In their eagerness to rule, all laws became to them inflexible and futile. . . .

"Tired and disgruntled from their failure to obtain effective legislation, and spurred on by zeal, as well as defeat, these men are seeking to read into uniform accounting statutes the power to regulate through requirements in respect to the method of carrying accounts."

A new phase in the development of uniform accounting standards for the gas industry may be said to have begun in September 1935, with the receipt at A. G. A. headquarters of a report by the Committee on Statistics and Accounts of Public Utilities of the National Association of Railroad and Utilities Commissioners recommending a radically revised uniform system of accounts for electric utilities. In its report the Committee stated:

"It was not found possible within the time allotted to the Committee to

prepare a revision of the System of Accounts for Gas Companies. It should be stated, however, that the Balance Sheet, Income and Surplus Accounts in the revised system for Electric Companies proposed by the Committee would be the same in any revision of the System for Gas Companies."

The history of the discussions, correspondence, reports, hearings, and briefs dealing with subsequent attempts to establish a national uniform classification of accounts for electric and gas utilities is reasonably familiar to all of you and need not be recounted here. The important new element in the problem during this period has been the insistence of regulatory bodies, particularly Federal regulatory bodies, on rules designated as "Uniform Systems of Accounts" which go far beyond the formulation of uniform methods of accounting. These uniform systems of accounts if strictly interpreted and enforced would reduce the responsibilities of utility managers to little more than those of government clerks.

Present Situation

At present the situation with which the gas industry is confronted may be thus stated. The Accounting Committee of the National Association of Railroad and Utilities Commissioners and the accountants of the Federal Power Commission have together worked out two uniform systems of accounts for electric utilities which are for all practical purposes identical. The Federal Power Commission has prescribed by order its system for electric utilities which come under its jurisdiction, to be effective January 1, 1937. The Accounting Committee of the National Association of Railroad and Utilities Commissioners will recommend to the annual convention of that Association which meets here next month, the approval by the Association and the adoption by member state commissions of not only what is virtually the Federal Power Commission's Uniform System of Accounts for Electric Utilities, but also of a Uniform System of Accounts for Gas Utilities similar in all important principles, including the grotesque requirements as to accounting for "original cost."

The state commissions, traditionally inclined to be rather suspicious and resentful of Federal encroachment on their jurisdiction, are not too favorably disposed to the radical departures from hitherto generally accepted accounting principles embodied in the Federal Power Commission's uniform system of accounts and in their own Committee's recommendations. However, they are faced with the apparent certainty that the Federal Power Commission will attempt next January 1 to enforce its accounting system on many electric utilities engaged in Interstate Commerce, and the state commissions hesitate to force the issue by insisting on accounting requirements for

such companies also subject to state regulation, which would be in conflict with the requirements of the Federal Power Commission.

What the result will be, the Atlantic City meeting of the National Association of Railroad and Utilities Commissioners will show. I venture the opinion, however, that if the Federal Power Commission's uniform system of accounts were not to be effective January 1, if its effective date were to be postponed by reason, for example, of court action such as that which most of the telephone companies have united to bring against the Federal Communication Commission's new Uniform System of Accounts for Telephone Companies which embodies certain principles generally similar to the objectionable features of the Federal Power Commission classification, the National Association of Railroad and Utilities Commissioners would not readily approve the more radical recommendations of its Accounting Committee, but would delay final action until the far-reaching consequences thereof could more clearly be understood.

What some of these consequences may be and the possibilities therein for long, difficult, and costly litigation is evident from the experience of the utilities in New York State. There, last May, the Court of Appeals, the State's court of last resort, overturned orders of the New York Public Service Commission attempting to prescribe an accounting treatment of property values which the Court found to be arbitrary, illegal, and unconstitutional. The Court specifically condemns the requirement of the orders that permanent property values in books of account and public statements should be determined primarily by the "original cost" of such permanent property rather than by its cost or value to the accounting company. The Court also condemned as confiscatory the requirement that loss in the value of permanent property must be recognized in the accounts as determined by the "straight-line" theory.

Industry Facing Battle

The industry as a whole is facing today the same sort of battle that the New York State utilities have faced. In New York the fight lasted three years and so far the result appears to have been favorable to most of the contentions of the utilities. However, it is rumored that the Commission accountants are at work on revised accounting orders to meet the law as established by the Court of Appeals decision and it is at least conceivable that these new orders will only start a fresh battle.

In what time remains to me, I wish just to state some of the conclusions which I have reached in half a life time of dealing with the problems of public utility accounting, particularly uniform accounting codes.

In the first place, uniformity is highly desirable to the extent, and no further,

that it means using the same terms for the same things, and describing the same things by only one set of terms. Uniformity of practice, in other words, is largely a matter of uniformity of language. The same set of words should always describe the same acts of transactions. We all in theory, of course, agree that such uniformity is good, but in practice we are too likely to be so convinced that our accustomed way of setting up accounts and statements is the best, if not the only, way to set them up, that we hate to accept anything that would change our association of words and action and agree only on vague general phrases which cover so much ground that they are in large measure meaningless.

All Classifications Compromises

No uniform classification which is the result of the collaboration of a number of accountants will ever be wholly satisfactory to any one of them. Accountants are noted for expressing vigorous individual and often conflicting views respecting the practice of their art, a fact commented on in the opinion of the New York Public Service Commission issued June 26, 1934. In the Matter of an Investigation by the Commission into a Uniform System of Accounts for Telephone Corporations (5 PUR N. S. 402). The opinions say:

"The criticisms and suggestions made by Mr. Bradshaw" (Chief Accountant of the New York Telephone Company) "were endorsed practically to the dotting of an 'i' or the crossing of a 't' by the other companies represented at the hearing, a fact which strikes us as somewhat peculiar in view of the well known tendencies of expert accountants to differ upon minor points if not upon major ones."

All uniform classifications are, of course, compromises. I do not mean to suggest that things essentially different should be forced into a uniform pattern which they do not fit, but I should like to drive home the point that the goal of simplicity and uniformity, and hence understandability, is important enough to be worth a lot of sacrifices of pet practices.

A common sense, practical criterion of selection among different accounting practices and their descriptive terminology is to choose as a universal standard that which carries the clearest idea to the most people. The most effective way of applying this criterion is the method of a round table conference with a carefully selected representative group, though such a conference must be admitted by all who have taken part in one to be a tedious and nerve-racking experience. It is one of the principal weaknesses of the classifications now proposed for adoption as national standards by the Federal Power Commission and the Accounting Committee of the National Association of Railroad and Utilities Commissioners that

they were not worked out by any such representative group but were first developed by accountants whose principal, and in many cases whose sole, experience had been with governmental bodies and who had no adequate conception of the practical problems that have to be met by the operating public utility accountant. True, the accountants of the industry were allowed to state their criticisms and suggestions to accountants of the Federal Power Commission and the Accounting Committee of the National Association. But this is a very different thing from meeting in joint committee day after day for perhaps several weeks in the aggregate and thrashing out together the innumerable questions of method and of language which arise in any attempt to standardize and codify so intricate and vital a procedure as public utility accounting practice.

The New Hampshire Public Service Commission deserves credit for seeing more clearly and following more closely than any other regulatory authority in recent years the principles just stated, and its Uniform Classification of Accounts for Electric Utilities, adopted just before the present attempts to establish new national uniform standards get under headway, might, to the great advantage of all concerned, have served as the basis for a national standard code,—not that utility accountants as a group can unqualifiedly accept all the provisions of even the New Hampshire classification. It is illuminating to note, however, that in its report dated June 30, 1935, of a rehearing requested by some of the New Hampshire companies on certain phases of the Commission's order prescribing a Uniform Classification of Accounts for Electric Utilities effective January 1, 1935, the New Hampshire Commission did expressly recognize that widely accepted usage should not be departed from for the sake of a theory, however logical, unless there should be a very definite advantage for clarity and exactitude for so doing. In the report referred to the Commission said:

"If the method of accounting provided for in our Uniform Classification, were followed for New Hampshire operations, the result would be confusing, particularly to investors, since it would invalidate direct comparisons of Net Electric Operating Income between companies doing business in New Hampshire and those operating in other states.

"This is an objection which, while not controlling, is entitled to serious consideration, since comparisons of Net Electric Operating Income from company to company constitute a very significant index to the financial results of operations and to the relative prosperity of utilities. In our opinion, therefore, the Classification may properly be amended to remove the objection, provided this may be accomplished without impairing the usefulness of the data

thereby made available to this Commission for regulatory purposes."

In discussions of accounting codes established by governmental authority much has been made of the distinction between regulation of accounting and regulation of management. I venture the more or less heretical assertion that there is no clear-cut logical line of demarcation. Accounting is a function of management and an important function. Any restrictions on accounting practice, any degree of regulation thereof, is a limitation on the freedom of management. It is equally true that traffic control is a limitation on the freedom of the motorist to go when and where he pleases; but we all recognize that though the individual motorist may sometimes be irked by an inopportune red light, traffic as a whole will go farther and faster because of its regulation. Any uniform standard of accounting usage implies certain restrictions on the management upon which such standards are imposed. But there is a great difference between stationing a traffic officer at dangerous intersections and planting a back seat driver in every car—at the taxpayer's expense. It is against the interest of customers, investors, and managers—indeed, of everyone except a handful of petty bureaucrats—to hamper in any way the free exercise of managerial discretion except where it can be shown beyond a shadow of a doubt to any reasonable and well informed person that a proposed restriction actually would do away with a misleading form of statement or an unfair practice.

Depreciation

So far, I believe this paper has established a record for discussions of uniform accounting classifications in that up to this point the word "depreciation" had not yet once appeared. What I have to say about depreciation, however, is merely a brief analysis of the effect, as I see it, of the accounting for depreciation which is required in the proposed codes of the Federal Power Commission and the Accounting Committee of the National Association of Railroad and Utilities Commissioners.

These codes, influenced perhaps by recent court decisions, do not specifically mention "straight line" depreciation nor definitely require that the recognition of lost service value must be spread evenly over the average service life of each class of property. The "service value" which is to be accounted for according to the proposed classifications is, by definition, nothing more nor less than the "retirement loss" of the 1922 NARUC classification. But there is a vital difference between the charge representing the amount of depreciation "accrued" for any month, to be recorded in accordance with General Instruction 10 of the Federal Power Commission and General Instruction 9 of the NARUC Accounting Committee electric codes, and the amount of "retirement expense" which the 1922 NARUC classification would require. The distinction between the older

(Continued on page 417)

Commercial Section

F. M. Banks, Chairman

J. W. West, Jr., Secretary

Hugh Cuthrell, Vice-Chairman

Plans and Methods of Hitting the New Home Market

By R. S. AGEE

Sales Promotion Manager, Washington Gas Light Co., Washington, D. C.

TODAY you are going to hear of some things of vital importance to you; but I'll guarantee they will not be particularly pleasing to your ears.

First—You are going to hear about the vast new construction market that is now upon us, and how the gas industry has failed to prepare itself to insure the complete installation of gas equipment.

Second—You are going to hear how the continued loss of this new construction business will penalize our retail sales departments and retard our general progress.

Third—You are going to see how competition has been alert to the importance of every phase of this new construction market, and what they have done to make sure they will capitalize on it.

Fourth—You are going to hear what the entire gas industry had better do about this new market if we intend to survive.

My discussion of these points, which have been carefully studied for months, will be extremely frank. I will give you the facts without worrying about who will be annoyed by what is said. I hope none of you have your ears plugged by the cotton of prejudice. You will see that, in our case, a thorough self-analysis calls for the swallowing of some rather bitter pills.

Building Boom

In the first place, America has already begun one of the biggest building booms that this country will see for some time. Based on past weekly averages for 1936, right now—during the week of this convention—over 5,000 new homes are being built in the United States. Careful estimates show that there is a present need for building over four times this number per week, or 1,300,000 homes per year, for the next five years!

New construction for the first 9 months of this year has already exceeded new building for all of 1935 by 23%. Contracts awarded for residential construction for the past August registered the largest monthly total in more than five years! Seventy per cent of all these new homes are single and two-family dwellings, with an attendant gas revenue 116% greater per home than that of an apartment house dwelling unit. Think what this tremendous market could mean to us!

Roy W. Wenzlick, president of the National Association of Real Estate Boards, says:

Delivered before eighteenth annual convention, American Gas Association, Atlantic City, N. J., October 26-30, 1936.

"A Real Estate Boom in the United States is inevitable. Greater profits (Possible Gas Load to You) will be made during the next few years in this field than can be realized again for several generations."

The chief of the research department for one of America's leading firms in building supplies says:

"America needs 6,700,000 new homes! Today. Right this minute—making no allowances for future needs. Over 50% of these dwelling units will be obtained by rebuilding or modernizing present structures!"

Gentlemen, that means 6,700,000 new kitchens and almost that many basements. Yet, we as an industry seem to have given the subject very little thought and action. There was a time when we could have depended on our natural advantages to have obtained this load. However, a gas pipe is not even necessary in a new home of today! Will this possible revenue go to the electric companies or to the gas companies? Will electric and oil burning appliances be used, or will they be modern gas appliances? It all depends on us; and, so far, I am forced to say, we have made a poor start! *Worse still*, you have more at stake than just those sales to the new and rebuilt homes; and so we come to one of the most important points of this talk.

The appliances and fuel sold for use in these six and one-half million newly built and remodeled homes will determine what appliances and what fuel will be sold retail for future modernization of America's millions of homes now standing and already occupied.

In other words in regard to appliance sales as new construction goes so goes the replacement market of the future!!

New home construction sets the trend in what is modern for homes of today. The best way to sell or re-sell customers on gas is to be able to show them that the trend is towards gas in the latest construction!

Who can deny that gas is beginning to be thought of as the old fashioned, out-moded fuel? Everyone agrees we should exercise every means to modernize gas in the minds of our public.

Who can think of a better way to cause people to think of gas as a modern fuel, than to make sure that it is used in all the latest, new and modern homes? By that I

mean, we can modernize gas by associating gas with that which is *NEW*!

Don't expect your retail salesmen to go out and sell replacement equipment for home modernization if your company is so hide-bound by antiquated policies that you are losing out to competitive fuels in the new and modern construction market.

Let's sum up what this new building boom could mean to us:

It offers us the revenue from the new gas load for at least five or six million new homes that will be built on our lines. Here is the opportunity to increase our number of domestic consumers by at least 25%.

This increased sale of gas and added revenue will normally bring about reduced unit costs of production and, therefore, lower gas rates.

Gas Replacement Business

This new construction will give us an opportunity to insure future replacement business by showing that gas is being used in new homes of today. There, gentlemen, is the key to the future of our business. If people visit these new homes and see electric ranges and refrigerators, and oil burners with summer winter hook-ups for hot water—without even a gas service in the house—what kind of an impression will people get of the gas business?

Finally, it offers us the fine opportunity to modernize gas by associating it with that which is new. There is a way to accomplish, by natural aggressiveness, what would ordinarily cost thousands of dollars in advertising expenditures!

In the face of these four important considerations, let's see what the gas industry has done about it!

In spite of the thousands of new homes being erected per week for the past year, and in spite of the great importance of this new load to our industry, we have actually shown a *decrease* in manufactured, as well as natural gas sales for the purely domestic uses of cooking, water heating and refrigeration—for the first half of 1936 over the same period of 1935. Because of reduced rates, we have, therefore, shown an even *greater* decrease in revenue. We have not only failed to show an increase in revenue, but have failed to even hold our own.

Automobile sales, steel output, electric output and revenue, in fact *every* industry of importance is showing sharp increases except the gas industry!

Gentlemen, aren't these facts enough to

show us that we need more advertising and more aggressive sales efforts?

Our competitors saw this building boom coming and have prepared themselves for it. This is proved by their heavy advertising lineage and propaganda in all building and trade journals for the past two or three years. I sincerely admire them for their alertness and timely planning. They have educated the homemaker, architects and builders to the many uses of electricity. They have almost succeeded in writing into the architects' specifications, plans for America's complete electrification. They have built "New American All-Electric Homes" all over the nation. They have staged electric kitchen contests on a national scale. They have offered kitchen clinics, kitchen modernization and kitchen planning departments and schemes of every type.

They have paid subsidies to builders, dealers and electrical contractors for installing electric "health" kitchens. They have, in a large measure, truly succeeded in at least mentally electrifying, as well as hypnotizing America.

Absence of Appeal

Furthermore, because of our failure to advertise aggressively and enthusiastically sell our superior service, another big problem is facing us. Builders, architects, real estate salesmen and young retail appliance salesmen are being attracted by the national and local publicity which the electric industry is offering. The reason is because the builder is building and the real estate salesman is selling a new home which *must* be modern in order to meet with public acceptance. If we are going to let the public get the impression that only electric ranges, electric refrigerators and oil burners are modern; don't blame the builders for riding along with your competition. Don't wonder why the majority of the young, aggressive retail appliance salesmen are flocking to your competition. When you try to get them to come your way instead, they will ask you—"Why should we refuse a lift?"

Yes—I know that we have appropriated \$500,000 for our national advertising and that's a step in the right direction. But, so has the coal industry appropriated that much for their first year—plus \$250,000 more! The little ice industry has allocated almost twice the amount of money, for their national advertising, that was raised by the whole gas industry from coast to coast! This should plant a full-grown hint in your minds of what is wrong with us, and now I'll water that planted hint with a cloud-burst when I tell you that the electric propaganda fund for 1936 was 9 million dollars—actually 18 times our year's appropriation of \$500,000!! They are spending dollars to our dimes. When you consider the importance of this already present new building boom, our absence of any appeal to builders and architects for the past three years, and the tremendous advertising in those channels by competition of every sort; it seems to me that we had better spend the equivalent of our total appropriation of \$500,000 within the next few

months, on the new construction market alone, in order to regain what we are about to lose.

If we, with over 90% of the present cooking load, cannot afford to spend as much or more to protect that load as someone else would spend to *gamble* on getting it; then we ought to lose it. We ought to be spending over ten times our present appropriation for national advertising!

There, briefly, is an obvious partial solution to your problems.

Need for Action

The reason for this need to quickly muster our forces in a bigger and better counter-attack is that we have already permitted over 50% of American homemakers, both men and women, to get the erroneous impression that electricity is the most wonderful, the most magic and the most modern fuel and service under the sun. Thousands of people—many of them investors and financiers—now believe that gas is an obsolete service, offered by a dead industry. Why should they not feel that way? We haven't told half enough people how a single little piece of gas tubing comes up into their kitchen and how, at the end of this pipe, we can place a tee, and from one side of this tee we can render the best, fastest, most flexible, most dependable, intense heat as a cooking service that is known; at the lowest first cost, the lowest maintenance cost, and the lowest operating cost—and how on the other side of this same tee, from the same pipe, we can render the most silent, everlasting, trouble-free refrigeration and freezing service that is known; at a most reasonable first cost, the lowest maintenance cost, and the lowest operating cost!

What is there that can be seen or found by that famous, much publicized "electric eye" that can compare with such a wonderful and magic, modern gas service! Furthermore, through that same little ribbon of pipe coming through your basement we can flow enough vapor, or gas, at such a reasonable cost that we can heat your entire home economically with the only *truly* automatic heat! Can electric competition equal such a service? That is one thing they haven't even had the nerve to claim they could do!

We must hire new and younger blood for our business to give us new ideas, as well as formulate new plans to offset competition. There is a terrific hazard awaiting our industry, or any other industry as old as we are that fails to acquire younger blood and clearer thinking on the part of its sales executives.

If, in spite of all our advantages in rendering a domestic service to the home, we are showing no increase while our competition is marching ahead; there is obviously something wrong with our thinking. Enlist some new blood to your cause! Pay good salaries where it pays to pay them! Don't refuse to give a deserving new man a salary advance just because the increase would place him in a higher income bracket than John Doe in the same department—who has been with you 35 years.

Maybe some thought and action should be given to Doe's case.

At any rate, we must at once start a program of propaganda and publicity to not only make our industry's future again look attractive, but to regain the lost respect for our service.

Next, who are our real competitors for this new construction and modernization business and what are they doing?

In the first place, we are not competing with the electric utility alone in this picture. We have the armed forces of three of the largest and best merchandising organizations in the U. S. lined up against us. Any one of them has used at least four times the amount of our total advertising and sales promotion this year. The pressure for the development of the electric range comes more from these manufacturers than from the utility. They need it for their dealers who have already cleaned up the cream of the refrigeration market and are now looking for a new appliance to sell. Their mutual objective is our cooking and refrigeration load.

Let's look at their progress:

On January 1, 1936 there were over 1,500,000 electric ranges in use! Their 215,000 sales last year were double their 1934 sales and over 4 times greater than 1933 sales!

Competitors' Sales Figures

I have gathered the impression that this convention is more or less considered as a celebration of the return of the gas industry to its former position of dominance over competition. Let's look at this year's competitive sales figures and compare them with our own to see just how big we can make our celebration.

For the first 7 months of 1936 comes our report of gas range sales 30% over the same period for last year. That's fine; but let's see what competition has done.

For the first 7 months of 1936 is the report of 182,400 electric range sales, or a 50% increase over the same period of last year.

According to this, are we meeting competition? Are we permitting them to gain on us? Have we much cause for celebration? Well, if you think so, listen further to this.

In 1933 we were selling 15 gas ranges to one electric range. Now, for the first 7 months of this year, we have sold *less than* 5 gas ranges to one electric range. In other words, they have reduced the differential between their sales and ours by 66⅔% in 3 years! Those three years must have been "Three Long Years" to permit that much progress. You would have to be as optimistic as a seed catalogue, to celebrate in the face of those facts. At this rate, they will be selling ⅓ more ranges than we are within the next 36 months!

According to the August issue of *Electric Light and Power*, over 70,000 of their electric range sales last year replaced gas ranges on city gas mains, and over 20,000 were sold on new construction.

Eighty-five per cent of all kitchens to be

modernized are using obsolete gas ranges without oven heat control—to say nothing about time control, automatic lighters, and insulation. The automobile, typewriter, radio and vacuum cleaner industries make our efforts to replace obsolete equipment look sick by comparison. The electric industry is stepping in to take their share of this new construction, modernization, and replacement market, and apparently they are not going to even meet a unified competitive plan from the gas industry to protect what is now yours. It is yours, but it is not rightfully yours when you have done as little as you have to acquaint your customers with the fine service you have to offer through modern appliances. You are violating the trusteeship placed in you when you fail to better inform the public of the best possible cooking service which you have to offer. Excessive sales are going to competition because of your failure to answer their exaggerated claims.

Attack on Basement

Then, we have the fuel oil and oil burner industry locked hand in hand with the electric utility, with their attack aimed at our basement load. In this competition, look out for the summer-winter hook-up, intended to steal your water heating business. The number of oil burner manufacturers and the amount spent for advertising is increasing, and the application of the burners to water heating and other uses is rapidly growing. Here is their record:

Oil burners in use have shown remarkable growth since 1929!

The 165,000 oil burner sales last year were 45,000 more than the former peak year of 1929.

In spite of all the talk you have heard since the first of this year on promotional gas rates for house heating, oil burner sales for the first 7 months of 1936 are 50% over the orders through July of 1935.

Sales of domestic stokers (using less than 100 pounds of coal per hour) continued 100% ahead of last year at the end of the first 7 months of 1936.

Nineteen hundred and thirty-three electric water heater sales were double those of 1932; 1934 sales were double those for 1933; and 1935 sales were approximately double those of 1934; and, at this rate, by 1943 their slogan would have to be "Two Electric Water Heaters for Every Home!"

Seriously, gentlemen, I'm mentioning these undeniable facts to show that there is still a need for an awakening on the part of the gas utilities! There is still cause for serious planning by the manufacturer! There is still a need for a more efficient gas range and water heater! There is still a need for a larger national advertising program. And last, and of utmost importance, there is still the greatest need for some honest-to-goodness, two-fisted, red-blooded salesmanship, if we are to long endure! I mention these facts because I honestly believe that unless we formulate more aggressive plans between now and the end of the year, 1937

will be still worse. On the other hand, if we DO take aggressive action, the tide could be turned back in our favor by the time of our next convention—then next year we could really have something to celebrate!

We cannot delay another hour without incurring undue additional expense in putting gas to the forefront where it belongs in this battle of fuels!

Before you start your attack, look in on your competitors to see what they are planning.

Here is what this combined force is saying, as compared to the Electroluxlike silence of the gas industry. I quote the exact words of one of their chief spokesmen:

"The industry that succeeds in supplying the fuel needs of the future will be that industry which *outsells* its competitor and not because it has a corner on all the advantages."

That is what they are saying and that is what they are doing—*outselling us!* That is the keynote of our competitors' attack. This one statement alone should suggest to every progressive gas utility executive his plan of counter-attack. Get this—our competition comes not from our competitor's products and service, but from our competitor's advertising and salesmanship. There's our competition! Let's meet it!!

We cannot dispute the fact that the electric crowd has led the way and we *must not overlook* the truth of the saying that "The race will always be won by the swift."

Coordination Essential

In spite of the very keen competition among the three large electric manufacturers, they have developed a very complete coordination of effort, not only in national and regional advertising, but also in other sales plans. A good example of this is the "Modernize—Electrify Your Kitchen" program. Get a copy, read it, and see the united and aggressive front that is being put forth by your competitors as compared to the apparent lack of concern and scattered effort of the gas industry for their share of this big kitchen modernization market.

Coupled with the depression, the lack of coordination of effort by our gas appliance and equipment industry lost for them over \$50,000,000 in their invested capital during the last five years!

If you don't coordinate the efforts of the manufacturer, the gas companies, the dealers and the American Gas Association—to enable us to present a more united front, not only in a larger and better national advertising plan but in a national promotion and sales plan as well—you will continue to find yourselves as helpless against competitive efforts as an oyster on the half-shell.

Manufacturers blame the gas companies for being "lack-a-daze-e-cal Rip Van Winkles," and gas companies blame the manufacturers for being "Sleepy Time Gals." In many cases I am inclined to endorse the descriptive application of those terms.

We must realize now that we are both to blame and that two wrongs won't make a right. Let's get together under some clear thinking and intelligent guidance and real-

ize that another year or so of delay will necessitate a double expenditure of time, money and effort over what it would cost today to *recapture*—yes, recapture, the public's favor and fancy.

We must credit our competitors with being alert to a great opportunity to double their domestic electric consumption per meter. What I can't understand is why in the name of common sense the gas industry is not just as alert to the serious and important possibility of losing their base load; which if accomplished, would have about the same effect as pulling the foundation out from under this convention hall.

Irvin S. Cobb tells a story of an old darkie way down South, which best describes our chief trouble. He passed the darkie's house one afternoon and found him peacefully fishing in a small puddle of water in the back yard. He asked, "Sam, what on earth are you doing there?" Sam replied, "I 'se just doin' a little fishin', boss." Mr. Cobb said, "Why, Sam, what do you mean 'fishing'? You know there are no fish in there." The old darkie looked up and with an expression of calm satisfaction said, "I know da ain't no fish in here, but dis place am mighty handy."

There is our trouble! "Puddle Fishing"—cause it is so handy and convenient.

The sales managements of many gas utilities are so content with convenient "Puddle Fishing" that they sit back and let the manufacturing, distribution, and service branches of their organizations run our state and regional gas conventions down entirely technical aisles, with discussions of gum troubles and gas leaks, for example; while their competition is back home, or at another meeting somewhere, planning and scheming on how to sell all-electric kitchens and oil heat on all the new construction and retail jobs in the city! I am directly implying that our gas industry is being run too much by plant operation engineers—not because *they* are too aggressive but because our New Business and Sales Departments are not selling enough new gas load to present any new manufacturing and distribution problems to the operating men to keep them busy on their own jobs. What your sales departments do, *and how soon they do it*, will really determine whether or not your manufacturing, distribution, accounting and service departments survive.

In most cases, because of our complacency, the New Business and Sales Departments of the gas utilities are at present the industry's worst enemies.

The necessity for constantly decreasing unit costs of gas service can best result from successful efforts along the lines of new load building. This can only be accomplished by a thorough determination to draw in your belt a couple of notches and get down to some honest-to-goodness selling.

Of course, we are all conscious of the fact that we have the combination gas and electric companies and holding companies, who control both gas and electric properties and are permitting the octopus-like

(Continued on page 418)

Home Service Convention High Lights



Jessie McQueen

INTEREST in home service at the A. G. A. Convention was evident in the excellent attendance at the two scheduled home service meetings, approximately 160 at each meeting. Beatrice Cole Wagner of The Philadelphia Gas Works Company, as chairman of the Home Service

Committee, presided at the two sessions.

The *Home Service Breakfast* program was successful according to Alexander Forward, managing director of the Association, in "getting people out at the crack of dawn" or 8:30 A.M. In order for the program to be completed in time for the general sessions at 10:00 o'clock, a series of talks, limited to two minutes, by home service directors was presented on the subject "Sales Aspects of Home Service."

"How Home Service Meets Competition" was presented by Mrs. Arra S. Mixer of The Hartford Gas Company. Mrs. Mixer described the plan in Hartford of meeting their competitors' free trial service on electric ranges. While these trial ranges are in the homes the girl from the gas company calls and in the discussion explains the features of a gas range, many times impressing the homemaker with such conclusive evidence that instead of a final electric range sale the range installed is gas.

Mrs. Marjorie Wardman described the drama used in her cooking schools, and amused the sales managers present at the breakfast with an account of her featured program entitled "Men's Night," where the men do the cooking. These men are local community officers.

Home Call Analysis

"The Analysis of Home Calls," a review of a Home Service Committee project this year, was explained by Ruth Sheldon of the Washington Gas Light Company. Miss Sheldon reported results of a questionnaire sent to home service directors as to how the increased number of calls due to the success of the national sales campaigns were being cared for. No substitute method has proved as effective as personal calls in the home, and the only recommendation deemed possible by the Committee was for increased staffs and more adequate means of transportation.

Francis Leonard of the Peoples Water and Gas Company, Miami Beach, Florida, described home service activities in a local situation with two seasons and two sets of customers. She mentioned specifically her cooperation with the sales department in demonstrations to women's groups on equipment installed on trial which later became

By JESSIE MCQUEEN

Home Service Counsellor

sales for the company. Miss Leonard also described the cooperation given school authorities upon request in the installation of gas unit kitchens in a new high school building.

"Classes for Employees," a popular new development in home service work, was described by Irene Hickey of the Detroit City Gas Company.

Executive attendance at the Home Service Breakfast was very gratifying. At the speakers table and taking part in extending greetings, giving impressions and advice were: L. B. Denning, president of the American Gas Association; Alexander Forward, managing director; Herman Russell, president-elect; C. E. Paige, past-president; C. E. Bennett, chairman of the Commercial Section under which Home Service operates; and F. M. Banks, incoming chairman.

Home Service Meeting

On Tuesday afternoon a subject matter program on home service was likewise well attended. The meeting opened with a discussion on the subject of Time and Temperature, with the new developments of cold-start cooking and broiling being discussed by Jane Roberts of the Roberts & Mander Stove Company. Miss Roberts in her test work favors cold-start cookery and its results. In an open discussion period Mrs. Ella Lambert of the Milwaukee Gas Light Company read the report of Belle Lowe of Iowa State College presented before the American Home Economics Association Convention in June where the subject of cold-start cookery was brought out. Miss Lowe's report indicated some general acceptance of this method, except in cake baking where results were not as satisfactory.

"Good Home Service Newspaper Copy" was interestingly discussed by Eloise Davison, director of home economics, *Herald Tribune* Institute, New York. Miss Davison developed trends in women's interest which should be considered in newspaper copy, but emphasized that any set form could not be continued over a long period of time. Copy must be seasonal and must be varied to meet different types of readers.

Ada Bessie Swann of *Woman's Home Companion* Home Center explained the "consumer-editor" service used by that magazine in finding out what women readers want to find on the printed page. She explained the development as to why time and temperature work was taken up as their first problem because that still seemed to be a current question in women's minds, and of course has direct application to home service.

In a group of two-minute talks on "What's New in Home Service," Mildred Bailey of the Public Service Electric & Gas Company described a few methods used in lecture

demonstrations throughout New Jersey. Participation by women in the audience in the carrying out of the demonstration was described—the perfect result obtained making an effective impression on the rest of the group. Skits and contests have proven effective. Miss Bailey also described the success of classes before foreign speaking groups conducted in their own language.

Helen Bates, The Consumers' Gas Company, Toronto, described the interest in examinations for Girl Guide Certificates, with individual kitchen set-ups for each girl in her demonstration.

Mrs. Eliza Stephenson of the Jersey Central Power & Light Company brought out the success throughout their varied properties of small cooking schools, with actual demonstrations featuring selling points of equipment.

Elsie Hinkley, of Station WCAU in Philadelphia, who was formerly in home service work with the Tappan Stove Company, was welcomed back in the home service group with an interesting paper on radio ideas applicable to home service. Miss Hinkley, appreciating the need of reaching new groups, has recently given a series of radio demonstrations called "A Cook's Tour Around the World." Each program was given by a different group of women with national features characteristic of their native country.

Pre-View of Exhibits

A new feature this year was added to the home service schedule of events. Each year, in addition to home service directors, we are glad to welcome representatives of women's magazines and home economists from other industries, principally food and equipment companies. One of the major interests of this group is to review the exhibits, and because of limitation of time it seemed that this year a pre-view of exhibits would be effective and plans were made accordingly by the Home Service Counsellor of the American Gas Association.

Wednesday noon on the left balcony overlooking the exhibits these visitors, together with home service women in attendance, met for a 45-minute session. W. S. Walker, engineer of utilization, Consolidated Edison Co. of New York, outlined first the chief features of the modern gas ranges on exhibit and mentioned some of the new developments in thermostatic controls.

H. M. Brundage, Jr., general sales manager, Washington Gas Light Company, described developments in gas house heating, and told briefly the story of gas air conditioning.

Henry Behrman, merchandise manager of The Brooklyn Union Gas Company, had a similar assignment with gas water heaters and also was asked to point out developments in hotel equipment.

Jane Tiffany Wagner, home service director of Servel Inc., invited everyone to Servel Electrolux Town—and as a new feature of

refrigeration exhibited—mentioned the new commercial unit.

All members of this group were enthusiastic over such a review, and each of the visiting home economists expressed a hope that this feature would be continued as a part of convention activities.

Points in the Exhibit

RANGES AND THERMOSTATS

Mr. Walker is directing his presentation toward the interests of representatives from women's magazines and outside industries, pointed out the following developments in modern gas ranges as they were to be seen in the manufacturers' exhibits:

General features: heavier bases—more sturdy construction; attractive lines in the handles and decorative features; ranges flush against the wall; metal working surfaces on some ranges to decrease wear evident in vitreous enamel; insulation features improved.

Ovens: burners more flexible; easy to maintain a consistently low temperature of 250°; facilities for heating rapidly from a cold-start, making cold-start cookery possible.

Broilers: frequently placed above ovens as a convenience feature; radiant broilers in evidence and broiler rack manufacture improved.

Top Burners: increased speed possible and constructed to use less gas; less heat is wasted in the kitchen, accomplished through a re-design; the flame is brought nearer the plate and the flames are not vertical, but directly horizontal; the use of the simmer burner is increased by the use of the duo burners; improvement in finish of burners, vitreous enamel and aluminum used offer a more pleasing appearance.

Thermostatic Controls: automatic oven lighting improved; several outstanding developments, including new safety features; another thermostat includes an indicator to show when oven has reached the temperature set on the thermostat.

Many questions were asked Mr. Walker, indicating the special interest in the subject of modern gas ranges.

HOUSE HEATING AND AIR CONDITIONING

Mr. Brundage pointed out the large increase in house heating sales in Washington, and in speaking of the ten house heating exhibits at the convention he stated that eight included air conditioning equipment. As requested he developed the story of gas air conditioning and described its special advantages over other types in providing manufactured weather with the following characteristics: (1) filtered air; (2) proper humidity by means of automatic humidity controls; (3) circulation of air; (4) heated air. His points were made so clearly that one visitor was moved to remark "That's the first time I ever understood air conditioning."

WATER HEATERS

Mr. Behrman pointed out the improved appearance of water heaters. In addition to the standard cylindrical shapes, square-shaped and streamlined oval cases in attractive colors were seen. The table-top model was to be found when it was desirable to

have the water heater in the kitchen. More conversion water heaters were being shown, changing the ordinary tank into an efficient automatic heater. These were made in larger capacity to more nearly approach a quick recovery job.

A small tankless heater was shown for use in beauty shops and where desired directly over the sink in a small kitchen. Practically all automatic storage heaters are now made convertible,—that is they may be provided with varying sized burners to meet a customer's particular demand. For example, Mr. Behrman stated that The Brooklyn Union Gas Company has found that a 10,000 B.t.u. input meets most needs at a minimum expense but this input can be increased if needed. He pointed out that all water heaters displayed had safety pilots, not a new feature but one he thought all writers should know about. He stated that several manufacturers of water heater equipment were using yellow luminous flame burners which had the advantage of including a higher percentage of radiant heat than the blue burner.

HOTEL EQUIPMENT

Mr. Behrman explained the trend from old style hotel ranges which were heavy in construction to stand up against very hard wear, to the new hotel ranges which include attractive appearance in addition to good construction. He stated that models were shown with top heat control as well as oven heat controls. The radiant broilers were in evidence and ovens more heavily insulated.

REFRIGERATORS

Miss Wagner pointed out that at this convention commercial refrigeration by gas was displayed for the first time. As illustrated in the model village erected on the stage of the auditorium, commercial refrigeration can be applied in countless shops and stores as well as in such obvious places as the commercial kitchen in restaurants, cafeterias, hospitals, etc. This large refrigerator operates on the same principal of continuous, silent refrigeration by gas heat as is used in the domestic refrigerator. The absence of moving parts will permit long freedom from any attention, thus eliminating one of the troublesome features of the electric refrigerators designed for similar work.

Broader Viewpoint of Home Service

This was the subject of a paper on the Commercial Section program by E. M. Tharp, vice-president and general manager of The Ohio Fuel Gas Company, Columbus, Ohio. Mr. Tharp, in a most effective presentation, said: "One of the most effective tools of management in our organization goes by the name of Home Service." He described the plan through a company operating in 358 cities and towns of Ohio organized into 10 operating groups, each one under the supervision of a district manager.

"Each district has a home service director reporting to the manager and working on his assignments," he said. "He uses Home Service for observation of his own organization performance, and for ascertaining public understanding and satisfaction, for promoting

sales, for educational work with both employees and the public and for direct service work. The manager receives daily reports from his home service director and regularly confers with her on plans, programs, investigations and activities intended to develop better knowledge of operating effects and a more accurate conception of customer relations." Mr. Tharp concluded that "Home Service makes the business of selling gas personal and human. It provides the human touch that gratifies."

Papers and Reports

Papers presented at the home service meetings are available upon request to the Home Service Counsellor's office, A.G.A. Headquarters.

Copies of the Home Service Committee Report are available at a cost of 15 cents.

Home Service Chairman

F. M. Banks, chairman of the Commercial Section, announces the appointment as home service chairman for the coming year of Elizabeth Sweeney, home service director of The Empire Gas & Electric Company, Geneva, N. Y. Miss Sweeney has been an active member of the Home Service Committee, and prepared the Commercial Section Interim Bulletin in 1934 on "Sales Significance of Home Service Records and Reports."

Coast Counties Adopts Home Service

MRS. WINIFRED DAVISON has joined the staff of the Coast Counties Gas and Electric Company, Santa Cruz, Calif., as home service representative.

This is the initial step in utility home service work to be carried on in the territory served by the Coast Counties Gas and Electric Company, which includes Santa Cruz, Monterey, San Benito, Santa Clara and Contra Costa counties.

Mrs. Davison has had a wide experience in both the use of electrical and gas cooking equipment, and has recently completed demonstrations in which she assisted Mrs. Katherine Welch of the James Graham Manufacturing Company.

H. W. Edmund, general sales manager of the company, states that his organization has long felt the need for this type of work among its consumers. With the very definite uptrend of business throughout the entire territory, he feels that now is the proper time to initiate this service, which will add much to the consumer's appreciation and enjoyment of appliances, as well as helping to add additional consumers.

They were talking about the advent of the gas stove. Baird Leonard's parents installed one and then went on a six months' tour of Europe, leaving the house in charge of Mandy, the cook. Upon their return, Mandy was asked about the stove. "I declare," she exclaimed, "that's the beatenest thing ever I see. It ain't gone out yet."
—O. O. McIntyre.

Industrial Gas Section

Ralph L. Manier, Chairman

Eugene D. Milener, Secretary

Hale A. Clark, Vice-Chairman

What the Gas Industry Now Has To Offer in Commercial Cooking Appliances



W. Frank Roberts

THE commercial gas cooking field, like every other business, has had to run the gauntlet of the depression, the effects of national economic evolution, of changing conditions within the industry, of old competitive forces, and of new competitive forces. Every business

has had to stop long enough to take stock of the effect of each of these forces; to see where it stands, to weigh the forces that will direct its course in the future, and to determine and appraise the factors that will govern its future course and growth. I know of no more appropriate occasion for such an analysis of the appliance phase of the commercial gas cooking business than on this occasion when the men who are responsible for the maintenance and growth of this business are gathered together. It is not my intention to discuss engineering development as such, nor do I intend to discuss individual sales plans as such. On the other hand, I shall refer to the broader phases of this matter and I am sure the many able gas men and equipment manufacturers present will be able to supply any supplementary thoughts and plans of action necessary to carry us forward to our goal.

Volume Cooking Desirable

Commercial cooking is a desirable load for any utility and for any industry selling bulk fuel. It is steady business, and it is profitable business. The sale of equipment in this field is attractive business for manufacturers, because its volume is large and steady, and there are many opportunities to incorporate new ideas to the profit of those who advance and skillfully apply them. This situation is the basis of competition, and therefore those who have the business must always defend it. Those who want the business can most assuredly be depended upon to work hard to get it.

In the past we worked hard to get this business from coal, when coal was the medium that cooked practically every-

By **W. FRANK ROBERTS**

President, Standard Gas Equipment Corporation, Baltimore, Md.

thing in public eating places. For a long while we replaced one coal range with one gas range; two coal ranges with two gas ranges, and so on. But even that far back a technique of specialized cooking was gradually being developed; for instance, coffee was being cooked in urns instead of in large kettles; and steam tables made their appearance. Then there were griddles and other special cooking apparatus. Finally it was realized that the range was no longer the universal cooking appliance it had once been, and particularly in recent years, the primary functions of the range have been split so that we now have in the kitchen space once occupied by ranges only, a string of diversified appliances that include broilers, roasters, deep fat fryers, open tops, etc., in addition to a limited number of sections of ranges.

Improvement in Appliances

I think it can safely be said that steady improvement in commercial cooking appliances has advanced more in the past four years than in the previous twenty years. This improvement includes finer appearance, better workmanship, more compact construction, greater efficiency, less labor to operate, and finally, it is easier for service men to maintain and keep this equipment in efficient and effective operation.

From the users' standpoint, the appliances are simpler to operate, greater speed is possible in all cooking operations, and less fuel is required to do a given amount of cooking. Insulated ovens, thermostatically controlled, mean considerable saving in gas, and more uniformity in the character of the food cooked; also less waste by food spoiled, due to being overcooked, or actually burned up through neglect or inattention on the part of the chef.

Aside from the fact that 20 per cent to 50 per cent saving in fuel can be attained through the insulated-controlled ranges, it is possible to prevent shrinkage losses in roasting meats and fowl by roasting at lower temperatures in heat controlled ovens. The savings in meat shrinkage in many hotels, restaurants and hospitals, would pay for the new up-to-date equipment in six to twelve months.

The development of the ceramic broiler is something not to be overlooked. There are several types of construction, and care must be exercised in selecting the one which produces the greatest heat, and at the same time uses a minimum of gas. As in all appliances, proper ventilation and combustion is necessary. Considerable grief has been caused by trying to use improperly designed ceramics. It is not a question of ceramics only, but the burner construction, venting, circulation, and other features have to be considered to get the required and best results.

Ceramic Broiling

The advent of the ceramic broiler has done much to increase the sale of broiled foods in most eating places. For several years, many restaurants have been stressing and advertising "Charcoal broiled and hickory broiled steaks, chops, etc." A chain restaurant and road-stand operator in New England (Howard Johnson Chain) who favors gas for all cooking, hit upon the idea to offset this "Charcoal broiled" stunt by advertising on his menus, in his windows, and on electric signs, "Ceramic broiled" chicken, steak, and chops. The idea went over big, so customers are now asking for ceramic broiled foods, and his sale of broiled goods has about doubled. There is, however, a humorous side to this, as there is not one person in a hundred who knows what "ceramic" is, or means.

The explanation is, that it is something new, something not heard of before, it's different—therefore, as usual, the public falls for it. On the other hand, the restaurant has to serve a fine, nicely broiled, tasty, tender bit of food to hold the customer and keep him coming back for more.

The ceramic broiler will turn out the best broiled foods that it is possible to produce. The intense penetrating radiant heat does the trick.

Another appliance that in the past two or three years has been meeting with considerable favor, is the automatically controlled deep fat fryer.

Considerable time has been spent in development and research to bring out a better fryer. Many troubles had to be overcome, such as high operating cost for gas and frying grease, up-keep, poor thermostats, too rapid burning out of grease pot or kettle, pitting of pot due to

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chemical action—these and many other difficulties had to be solved.

Manufacturers have developed and are now producing cooking tops on commercial ranges that will meet the need of any and every cooking requirement. Among these are Hot-Top ranges, with and without top thermostatic temperature control. Spacious Open-Top and Fry-Top ranges, and ranges with combinations of Hot-Top, Open-Top, and Fry-Top. These combinations can be arranged so as to meet the whims and fancies of any chef.

Those interested in building up their gas load and holding it, should familiarize themselves with all these new features, and have specially trained men out in the field advertising and advocating the use of modern equipment. Trained men are necessary, as others can do more damage than good.

The sooner replacement is made of the antiquated types of commercial cooking equipment for the new, the sooner you will stop the advance of competitive fuels.

That in brief, is the ground on which the struggle exists, as we emerge from the depression, between the utilities for this highly desirable commercial cooking load, and between the manufacturers of gas appliances and manufacturers of other types of appliances, for the equipment business.

Modernization Trend

The food purveyors are not asleep. They are creating forces that must be taken into consideration by both gas utilities and manufacturers, when planning steps to hold and increase this business. They are, at great expense, revamping and modernizing their places of business. They are training their personnel to do a better job with the cooking appliances they buy. They are studying food and studying menu building as never before. They are advertising and making a better appeal in general to the public. And because of the competition they face, they are doing everything they can to keep costs down. These activities of theirs are creating forces that we cannot afford to overlook in this chess game we are playing, to hold and expand this attractive market.

Those who are promoting electric cooking, see this picture as I have outlined it. They fully realize its size and importance. They are analyzing it to see if there are any weak points in our position that will enable them to get their whole body through the door—because it's a fact they have their foot in a little way. They tried the same tactics we did, namely, replacing range for range—and they are also attacking the specialized appliances one by one. *They did not succeed with ranges*, and I don't think they will succeed with diversified appliances. The battle is now chiefly over the latter, and I think it will be that way for some years to come.

Is our position strong, or is it weak? I think it is strong. I think our competitors realize that more than some of our own people do. We are strong in several ways. Gas rates for commercial cooking have been carefully reviewed and adjusted in many instances where such adjustment was necessary and within the scope of sound business policy. The industrial sales departments of many gas companies have been reorganized to handle this business better and more systematically. And finally, gas appliances to better meet the situation, have been produced in large numbers and variety—and more are on the way.

Gas Appliances Good

I will put the subject of this paper in the form of a question, and then attempt to answer it. "What Does the Gas Industry Now Have To Offer in Commercial Cooking Appliances?" The industry has to offer gas appliances that meet today's demands for performance. We have appliances that meet today's demands for installation and operating costs that allow the owners to make money by using them. They are adaptable to every kind of commercial cooking need. They look good, and fit in with the best designs of modern kitchen and counter cooking. Basically we have both heavy duty and small gas appliances that substantially meet today's needs.

Take a look at a modernly gas equipped kitchen, and what do you see? Not merely a row of ranges. Not by any means. You see the right number of ranges, interspersed with, and supplemented by advanced types of broilers, roasters, deep fat fryers, open top sections, grills, ovens, etc. These appliances are not placed about promiscuously; they have all been engineered and made so that each one fits in with the other with a uniformity that makes their use highly practical, and makes them pleasing to the eye. In this kitchen there is no need for makeshift cooking. Top frying is done as top frying should be done. Deep fat frying is done in highly efficient deep fat fryers; baking and roasting are done in the most suitable kinds of equipment that is insulated against excess heat losses. Top surface cooking, as well as oven cooking, is controlled by reliable thermostats, and automatic lighting is making its appearance.

The appliances have modified streamlining, not just because it looks better, but because it helps toward keeping the appliances clean and sanitary. And maybe you will see that the appliances are made of stainless steel throughout, or at least the trim. From whatever viewpoint you look at the gas equipment in this kitchen, you will realize that it is the finest, most complete, most diversified, most practicable, and economical layout that the owner can purchase today. And that is why meals in the large kitchens of America are cooked with gas.

But life has speeded up, and that is why thousands, literally millions, do not wait for a full meal to be prepared and served. They eat "on the fly" so to speak. They eat small portions, but they demand low prices, good food, and above all, quick service. Out of this has come what is known as the counter trade. Out of the counter trade has come an entirely new technique of cooking and serving, and this technique has produced an entirely new type of individual—the fellow who literally juggles food while cooking it on his miniature diversified stoves. He cracks an egg with one hand, and throws the omelet around like it has wings. He can make hamburger sandwiches by the dozen with one hand, while ringing up the cash register with the other. He can dip potatoes in the fry kettle, and bring them out nicely browned without even looking. He cooks hot dogs by the hundred on a little two by four grill. He makes the sedate young woman who used to cook griddle cakes in Child's window look like the "gay nineties." And, . . . his number is increasing.

Counter Cooking Load

He, or at least those who approach his style, are the ones we must satisfy if we are to have and to hold the counter cooking load, and sell the thousands of gas appliances which this market offers. Are we taking care of his needs, and satisfying him? I think we are. Are we meeting the demand of his bosses that the looks of gas appliances be right, and that by their use they can make more money? I think we are, and the proof of that I believe, is that practically all chains of stores that have counter food service, do nearly all their cooking with gas. I point out the chains, because they are the ones who get down to brass tacks in buying equipment, including gas appliances. They study appliances in the light of performance, first cost, style, adaptability—and they are close checkers of operating costs. Unlike the single neighborhood store that buys one appliance at a time—when the chain decides on a gas appliance, the decision applies to many units. If the modern chains have found it profitable and advantageous to buy the kind of gas appliances that they install today, then it seems to me that a case can be built up that should convince the small fellow, who in most cases regards the chains as his worst competitor, but at the same time envies their success.

Woolworth just opened their first store in the center of the theatrical district on Broadway. I venture the statement that no store of its kind ever had more expert designing. There are 23 counter gas cooking appliances behind the lunch counters in this new store, and its designers by using gas sacrificed nothing in looks, convenience, or modernity. The only electric appliances are a couple of grills that require top and bottom heat simultaneously. I am frank to say that we have no comparable gas appliances

as this latter, but this and *small automatic* toasters are the only counter appliances that the gas industry cannot at present supply to fit into the most fastidious layouts. Incidentally, this new store has its main kitchen fitted with the newest and most modern gas operated equipment. The country's largest drug chain, Walgreen's; and others like Liggett's and Whalen's, standardize almost entirely on gas. So do White Tower, Nedick's, and the famous Toddle Houses down South.

The electric man wants this business, and he will keep trying to get it. Our appliances are not perfect, but Heaven knows neither are his. We have blocked him in the large kitchens by modernizing and diversifying gas appliances. We have him blocked in the chains, where the science of appliance selection is highly developed, and we will block him at the counters of individual stores, if we get the individual owners to look at appliance selection in the same way the chains do.

Appliance Features

What are the features of modern counter gas appliances that make them attractive to the keen owners of the chains, and to their lively counter men—and should make them equally attractive to the small owners? First, and I think we can dismiss this without much trouble, counter gas appliances are more economical to operate. Money talks, and I am reminded of a confectionery store owner on Long Island who recently modernized his place. He replaced a slow, expensive-to-operate electric griddle with a speedy gas one, and when asked why he hadn't done so long before, said, "The damn thing cost me \$95 and I had to get my money's worth out of it first." Did he get his money's worth out of it? Of course he didn't, but the gas man never tried to point that out to him. The electric griddle went out only when the whole store was modernized.

Next after operating economy, is the matter of first cost, and I think you will agree with me that these gas appliances on the whole, cost less than corresponding electric appliances. Certainly no purchaser is going to kick on that score. Then there is performance. This is the crux of the situation, if I size up the present trends in counter food service correctly. Performance includes speed, adaptability to changing loads, suitability for the particular cooking job for which it is bought, ease of cleaning, etc. Will anyone challenge me that up-to-date counter gas appliances do not perform to the queen's taste? Ask the customers who want hot food, if they don't get it hot when it's cooked with gas. Speed? Ask the fellow behind the counter who juggles the food on and off of gas appliances, whether or not they can keep up with him. There's a real test for speed. And lastly, we come to looks. Stainless steel and monel metal appliances—other

modern finishes with chromium trim—concealed manifolds—good looking burner cocks—enameled parts—well proportioned designs. These and other features make counter gas appliances fit in with the layouts of modern counter food service.

Counter gas cooking appliances that incorporate most of these features are being made by a number of manufacturers. No one manufacturer makes them all, but when a chain counter layout man goes out to buy, he ends up with getting all of them. Possibly he has had to buy because he has not been sold. The small fellow has not been sold either, and maybe he never will go out and buy. But he *can* be sold, and he must be *sold*, if gas is to hold the portion of his load it now has, and is to get back the balance. And he *can* be sold, if he is made to look at modern counter gas appliances as the chains look at them, because in the final analysis, there are few of his requirements indeed that they will not fulfill.

The manufacturers, allied with the gas industry, have had very serious problems within the last five years, but have tried to meet them with courage and confidence. Nevertheless, they rely upon the utilities for leadership—leadership in the matter of quality of appliances—leadership in the matter of cost to the customer, with particular reference to the cost of the fuel itself, which is the determining factor in the growth and well-being of the gas appliance business—and leadership in research as to the use of gas as a fuel.

The utility and the dealer should be considerate of the manufacturer in receiving and examining, and offering constructive criticism on new developments in his product.

Distribution Channels Needed

We know that gas is the superior and most dependable cooking fuel, and we must build our sales program on this basis. New channels of distribution must be developed, and old channels must be widened and deepened, free from obstruction, so that our ship of sales may go on unobstructed to its destination. After all, the consumer's viewpoint toward gas service is determined by an understanding and appreciation of the *appliance* through which this fuel is consumed; through which the benefits of this fuel become a tangible thing to the consumer.

Education must start at home. We must first educate ourselves to a proper appreciation of our product and its service. We must educate our sales force, our fitters, our contacts with the public, to believe and to know that gas is the world's finest and cheapest cooking fuel, and be thoroughly imbued with the advantages of its modern application in up-to-date gas appliances. A united front must be presented to the public, so that every factor which has any consumer contact, knows and appreciates his own product, and can in turn, defend it

(Continued on next page)

GOING AHEAD

WITH INDUSTRIAL GAS

With that "half acre" of space in the center of the Metal Exposition, every one of the 20,000 visitors left with a healthier respect for industrial gas.

Before you forget it you had better write to Headquarters for those copies of Industrial Gas Section committee reports and Convention papers. The meat of a whole year's progress in industrial and commercial gas is contained in them. You will want the following committee reports:

- Commercial Cooking and Baking
- General Commercial
- Ferrous-Metals
- Non Ferrous Metals
- Ceramic Industries
- Hot Water, Steam and Power
- Window Displays
- Advertising
- Publicity
- Process and Comfort Air Conditioning

Nobody failed to see that flaring red enameled industrial furnace in the Gas Section at the Metal Exposition. Who said the display of industrial gas equipment can't be jazzed up?

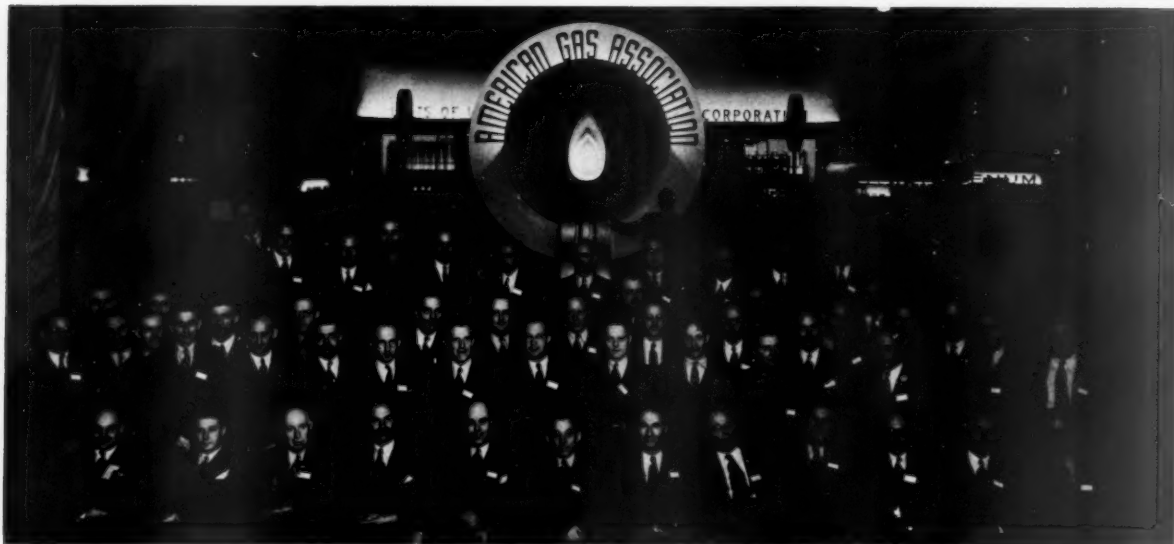
That was a swell talk Frank C. Smith gave at "The Industrial Gas Club Luncheon." His story of how industrial gas is being used as the theme for a national advertising campaign in such magazines as *Fortune* thrilled everyone present.

That was a fine article Wirt Kimball of Cambridge, Mass., wrote for *Industry*. Entitled "What Gas Offers Industry Today" it could not help but impress the type of executives who read that magazine.

A lot of the boys stopped in New York and took in the National Hotel Exposition. As is usual each year, the co-operative gas display was the largest, most colorful and most prominent of all. The hotel show and the A. G. A. Convention falling the same week this year kept men like Bill Hill, Clarence French and Bob Patrick hustling. Bill said it was the first time he ever wished he was twins.

Lester Bense is the luckiest industrial gas man alive. That Buick he won at Atlantic City is the second car he has had handed to him while playing the role of a gas man. Lester's genial personality was the reason why so many in the industrial gas fraternity were almost as pleased as he was. But was he excited!

Industrial Gas Takes Lead at National Metal Exposition



The men who manned the gas booths at the National Metal Exposition

THE biggest single contact industrial gas men and manufacturers of industrial gas equipment have with outside industry is the National Metal Exposition which is held yearly in conjunction with the National Metal Congress. The National Metal Congress is sponsored by the American Society for Metals and six other societies that specialize in different branches of metallurgy.

At the exposition this year the Industrial Gas Section had displays by thirteen manufacturers. The gas space was the largest of any industry grouped together and occupied what many thought to be the most prominent location in the immense hall.

Held in the exhibition hall of the great Cleveland Auditorium, the Metal Exposition was open afternoon and evening for five days during the middle of October. Seventy-four men manned the gas booths. Even after effective methods had been put into effect for restricting attendance to those in some way related to the metal industries, the exhibition was attended by over 20,000 people.

Action Theme

Gas in action was our theme. Almost every kind of industrial gas burner was in operation. Many specialized applications of industrial gas were shown. A specially built demonstration furnace for the new gas radiant tubes occupied a prominent location and attracted a lot of attention. A full-sized rotary gas forge was

going full blast during the week. This rotary was heated with luminous gas burners to a temperature of 2300° and represented to the visiting throngs the most modern methods of forging that are available to industry today. An entirely new type of controlled atmosphere gas annealing furnace was in operation and attracted much attention.

A refractory gas burner, heated to incandescence and mechanically swinging through the air, was an attention getter as was a demonstration of gas serenely burning far below the surface of a tank of water.

The new gas-heated air tempering furnaces were in continuous action and numerous predictions were made that now that electricity's back has been broken in this large field the rest will be plain sailing for gas.

Many industrial gas men and gas company executives attended the Metal Exposition this year, but it is doubtful if any but a few gas utility men realize the great scope and effectiveness of this yearly effort of the Industrial Gas Section to bring industrial gas directly to the largest single heat-using industry. All manufacturers in the Gas Section reported good results during the week.

The Display Committee of the Industrial Gas Section organized the show. Chairman Karl Emmerling, of The East Ohio Gas Company, was on the job before and during exhibit week. The gas booths were manned by some old timers

like John Merman, Charles Hones, Billy Hunt and Henry Heyn, and they were surrounded by a hustling bunch of men who, although newer at Metal Shows, knew how to put over the story of industrial gas with a punch.

The gas companies in Cleveland and surrounding territory assisted materially in the success of the show by contributing financial support. The following firms displayed and demonstrated equipment:

American Gas Furnace Company, Burdett Manufacturing Company, Continental Industrial Engineers, Despatch Oven Company, Eclipse Fuel Engineering Company, Ensign Reynolds, Inc., Gas Machinery Company, Charles A. Hones, Inc., C. M. Kemp Manufacturing Company, North American Manufacturing Company, Partlow Corporation, Selas Company, and Surface Combustion Corporation.

COMMERCIAL COOKING APPLIANCES

(Continued from preceding page)

against misstatements and innuendo, as well as aggressively tell of its advantages, and sell the idea in everyday contacts. In short, the public should be more sold on the present being a "Gas Age," as well as an electric and automobile age.

The industry is going from strength to strength and we are not disheartened at all by what is being done by our competitors.

—Sir David Milne-Watson.

Technical Section

M. I. Mix, Chairman

H. W. Hartman, Secretary

J. V. Postles, Vice-Chairman

Address of Chairman



F. A. Lydecker

IN opening these sessions of the Technical Section at this eighteenth annual convention of the American Gas Association, I desire to bring to your attention certain features of our program and our work during the past year. These conventions are intended to spread knowledge, promote good fellowship, renew friendships, and stimulate our consciousness of the value of our industry to the people whom we serve.

Technical men, in addition to their obvious concern with gas technology, are interested in all phases of the business,—sales, accounting, public relations and commercial activities, and at times are intimately connected with one or all of them. But their principal function is to improve the product and methods of distribution and utilization, and at the same time maintain or reduce the cost. During the history of the industry, we can point with pride to our success in these endeavors. No one believes that the ultimate is yet reached. It is our duty to continue these efforts. Every economy and every improvement accomplished is that much more strength for our business and that much more satisfaction for our customers.

Committee Activities

Our three major subcommittees have continued their work throughout the year, and held successful conferences last Spring, one in Memphis by the Distribution Committee, and one in New York jointly by the Chemical and Production Committees, at which interesting and important papers and committee reports were received and valuable information exchanged.

Reports were received and papers presented covering the subjects of Pipe Coatings and Corrosion, Pipe Joints and Materials, Meters, Deposits in the Distribution System, Leak Detection, and Educational Methods, Heat Transfer, Purification, Corrosive Action of Salt Cooling Water, Coke and the important matter of Oil Used in Gas Manufacture. For further details you are referred to the present reports of our major subcommittees.

During our present meeting we are to hear reports from our subcommittees and discuss further many of the subjects mentioned above, as well as some new ones. We confidently expect that many of you will

By F. A. LYDECKER

Public Service Electric & Gas Co.,
Newark, N. J.

participate in the discussion of the subjects which particularly appeal to you, and as a result we will all go away taking with us not only the information imparted by those who have so generously contributed papers, but the benefit derived from the experience and knowledge of others.

There are several subjects which merit our serious consideration for investigation and work during the coming year. The gum problem is not yet settled to our complete satisfaction, as evidenced by the varying ideas and practices throughout the country reported in Mr. Beard's paper at the Joint Chemical and Production Conference. Oil for water gas enrichment, and the resultant tars and emulsions continue to attract our attention. It appears that there are many possibilities in connection with the economics, handling, processing, and by-products of oil, worthy of our research and development.

Future Work Considered

The blending of coals and admixture of breeze with coal, present interesting problems in our coke oven operations. There has been considerable experience now with mechanical pipe joints and joint clamps, and some troubles have developed which indicate the desirability of pointing out proper methods of installation. Piping materials of non-ferrous nature should be investigated further. Dr. Scott Ewing's work should be continued, with preparation of a handbook of information on pipe coatings and soil corrosion and his further research on primers, methods of testing and equipment. The study of holder maintenance should be continued and reported. Work on improvement of the gas meter is desirable to produce better wearing qualities and facilitate repair and expense. Also to continue the examination of the effect of gases and humidity on meter diaphragms. In the interests of safety, economy and convenience, one of our progressive engineers suggests the development of a catalyst to spontaneously ignite escaping gas, or gas and air mixtures, thus eliminating the use of the pilot light. Probably one of the most important matters for consideration is that of lower investment costs. With much of our new business coming to us superimposed on peak loads, it is essential that first costs be curtailed and attention given to the development of generating equipment which can be installed at a minimum cost.

The present situation in the industry is most encouraging. Again we are demonstrating that our business is fundamentally sound, that the application and utilization of our product is not limited, that we will retain our present business in spite of competition if we work for it, and that we can look forward to the extended and voluminous use of gas.

During the past year it has been our duty to assist in arranging for the World Power Conference at Washington, D. C. We were fortunate in obtaining the services of L. J. Willien, of The Public Utility Engineering and Service Corporation, and H. E. Bates, of The Peoples Gas Light & Coke Company, in preparing for the conference the manufactured gas and the distribution of gas parts of Paper No. 6 entitled "Organization of the Production, Transportation and Distribution of Natural Gas and Manufactured Gas." We are also deeply indebted to Robert A. Carter and Raymond M. Martin, of the Consolidated Edison Company of New York, for the valuable work they did in arranging an excellent exhibit of gas manufacture, transportation and utilization for the conference, and placing it on display in the New National Museum. We sincerely thank these gentlemen for their time and thought on this work.

We are grateful to those who have so unselfishly contributed to the work of the Technical Section; our committee chairmen and members, those who prepared papers, and those who may have presented them, our efficient secretary, Hugh Hartman, and others of Headquarters' staff, and especially Eric Larson, who, though having already served his time as chairman of the distribution committee, stepped into the breach caused by the sudden illness of George Boyd at the very start of the year and carried on the work of that committee as acting chairman. It is by such spirit of loyalty, self sacrifice and devotion that the industry has progressed and may confidently look forward to a bright, successful future.

W. H. Chadwell Dies

WILLIAM H. CHADWELL, who was a construction engineer with the Public Service Electric and Gas Company of New Jersey, died October 13 at his home in East Orange, N. J. He was 57 years old. He was graduated from Stevens Institute of Technology in 1900. After graduation he entered the employ of the Essex and Hudson Gas Company which at that time was affiliated with the Public Service Company. His widow, a daughter and a sister survive.

Testing Laboratory

R. M. Conner, Director

Managing Committee: J. S. DeHart, Jr., Chairman

N. T. Sellman, Secretary

Committee Proposes New Standards for Draft Hoods



Subcommittee on Listing Requirements for Draft Hoods and guests from the Testing Laboratories. Left to right: W. E. Stark, Bryant Heater & Mfg. Co.; J. A. Whittington, The Peoples Gas Light & Coke Co.; K. R. Knapp and R. C. Gregg of the A. G. A. Laboratories; C. H. Flink (Chairman), American Gas Products Corp.; F. R. Wright and S. F. Jaros of the A. G. A. Laboratories; C. H. Morrow, Hotstream Heater Co.; C. F. Turner, East Ohio Gas Co. One committee member, Frank Wills, Pacific Gas and Electric Company, is not shown in the above photo

RECOMMENDED revisions to the American Standard Listing Requirements for Draft Hoods (Z21.12-1933, Effective July 1, 1934) were completed by the interested subcommittee at the last meeting of that group at the Testing Laboratories in Cleveland on September 15, 1936. The proposed revisions were subsequently printed in booklet form and distributed in October to all member companies of the American Gas Association and others interested for their criticisms and suggestions.

Only one or two minor changes were made in the requirements for construction, but the performance requirements were entirely rewritten. The revised performance requirements are divided into two sections, Part II, Draft Hoods for Use with Gas-Converted Central Heating Equipment and Part III, Draft Hoods for Use with Gas Water Heaters and Gas-Converted Water Heating Equipment. Since draft hoods sold as separate units are generally used with the equipment mentioned, the committee decided it was preferable to use test conditions which simulate as nearly as possible those encountered in actual service. Whereas the test equipment and procedure have been altered, the limits of performance under up-draft, down-draft, and blocked flue tests remain the same. In the case of the spillage test, however, the lengths of flue piping used above the draft

hood outlet have been increased from 4 and 5 feet to 8 and 9 feet for vertical and horizontal hoods, respectively.

Under the new standards, satisfactory test results with a 3-inch nominal inlet diameter draft hood attached to a manual circulating tank type water heater will permit listing of a 4-inch diameter diverter also, when the essential dimensions and areas are in proportion within a certain tolerance. Likewise, listing will be extended to 5-inch and larger draft hoods, when all test requirements are met by a 6-inch unit connected to a standard make coal boiler equipped with a gas conversion burner.

Performance Requirements

The present performance requirements are based on pressure drops at a definite rate of flow of warm air through the draft hood under blocked flue, down-draft, and up-draft test conditions; while the proposed requirements are derived from the draft hood tests now applied to various vented gas appliances. Manufacturers will find it easier to duplicate these tests in their plants without highly specialized apparatus.

The committee's discussion of the relative merits of stannic chloride and titanium tetrachloride for the visual study of drafts should interest design and development engineers, who are concerned with draft and

burner aeration problems. The latter of these dense fog-producing liquids is favored by several members of the committee. It is probably most familiar as the "ink" for airplane sky-writing, but is also used for aerial smoke screens in military maneuvers. The compounds are specified for use in conducting the spillage tests on draft hoods.

Gas and Electricity Discussed in Bulletin

IN September, the American Gas Association Testing Laboratories at Cleveland published and distributed an attractive 36-page illustrated pamphlet, "Reprints of Articles Covering Use of Gas and Electricity for Domestic Cooking and Heating Purposes." Five semi-technical papers by two of the Laboratories' executives on different phases of the ever-present gas versus electricity issue are reproduced in it. These articles were originally printed in the journals of the industry, and the revision of only one was necessary to bring the subject matter up to date. All discussions are presented in a simple manner, and the abundance of photographs, tables, and charts vividly carry the message to the reader.

The chapter headings are:

1. Gas and Electricity for Domestic Heating Purposes.
2. Cooking Costs with Gas and Electricity.
3. The Cleanliness and Safety of Gas Cooking.
4. Baking Characteristics of Gas and Electric Ranges.
5. Comparative Effects of Utensil Variations on Gas and Electric Range Top Unit Efficiency.

Only the first two chapters deal with the economics of using the two forms of energy. All five are based upon impartial and thorough research and study at the Testing Laboratories and at various other institutions. As a whole, the gas industry is familiar with the authoritative Bulletin No. 6, "Investigation of Domestic Cooking by Gas and by Electricity," published last year upon completion of that research project at the Laboratories. The new "Reprints of Articles Covering Use of Gas and Electricity for Domestic Cooking and Heating Purposes" booklet not only presents the salient facts in Bulletin No. 6 in a popular and briefer manner but also contains much additional useful information. This pamphlet was compiled to equip gas and gas appliance salesmen with the scientific facts behind these often-discussed subjects, and it is hoped that it will serve as an effective piece of promotional material as well. Every member company of

the American Gas Association has received two copies without charge, and additional copies may be secured from the American Gas Association Testing Laboratories, 1032 East 62nd St., Cleveland, Ohio; the price is 25 cents per single copy, and reduced prices are offered on quantity orders.

Harry Smith Joins N. J. Zinc Company

ON October 1, Harry W. Smith, Jr., publications' assistant, American Gas Association Testing Laboratories, Cleveland, resigned to take a position in the market development division of the New Jersey Zinc Co., New York, N. Y.

Mr. Smith came to the Laboratories in November 1931 with experience in acoustics gained at the Bell Telephone Laboratories. After completing an assignment in research work on the Elimination of Noise in Industrial Gas Burners, he was transferred to the publications department. Later, he wrote technical and popular promotional material for the industry.

Mr. Smith graduated with the 1930 class of the Case School of Applied Science, Cleveland, receiving a B.S. degree in Physics. The possession of a competitive scholarship and membership in two honorary engineering societies were evidences of his brilliant academic record.

Snowden Fluckey, a graduate of Princeton University in 1933 with a B.S. degree in Chemical Engineering, is Mr. Smith's successor in the publications department of the Testing Laboratories. Mr. Fluckey

has been employed for some time past in the Testing and Research Departments of the Laboratories in Cleveland.

UNIFORM CLASSIFICATION OF ACCOUNTS

(Continued from page 405)

and newer codes is that the latter conceives of the "accrual" for depreciation expense as a recognition of an actual loss realized when it is recorded on the books of account; while the former starts with the assumption that the loss is not realized until the actual retirement and that the amount recorded currently as retirement expense is an anticipation of future loss and not an actual current loss.

Strictly and literally interpreted the language of the F.P.C. new Uniform System of Accounts on depreciation accounting, as well as that proposed by the Committee on Statistics and Accounts of Public Utilities of the National Association of Railroad and Utilities Commissioners seems to me to be the equivalent of saying to the accounting utility:

"You may take as depreciation in any given period whatever you are willing to admit as a loss in 'service value' of your property during that period. You may determine this loss in any way you choose. We, of course, reserve the right to say whether the result arrived at is reasonable, just as we reserve the same right as to any other item claimed as an operating cost, in case the question becomes an issue in a rate or other pro-

ceeding. Until such an issue arises, you are the judge at your own risk of the amount of lost service value to be accounted for in any accounting period."

If my interpretation is correct, an accounting company acting under the F.P.C. System of Accounts would be free to charge the depreciation expense accounts with any amounts which it was willing to admit represented value actually lost during the accounting period, and then to provide a reserve against the much greater loss which it could reasonably expect to be realized upon future retirements caused by obsolescence or inadequacy. However, it is fairly certain that the accrual for such a reserve would not be accepted by the Federal Power Commission under its new code as a legitimate cost of operation.

Original Cost

In conclusion, just a word about "original cost." There is, I believe, a practically unanimous opinion not only among the accountants of the industry, but among all professional accountants, outside of a little group of accountants attached to regulatory governmental bodies, that the "original cost" provisions of the new accounting codes recently issued or proposed by the Federal Power Commission, the Accounting Committee of the National Association of Railroad and Utilities Commissioners, and the Federal Communications Commission, as well as by the latest Wisconsin classification of accounts and the New York classification which was upset by the Court of Appeals, place an absurd emphasis on the importance of "original cost" as a factor in determining value. The only justification which has ever been attempted for this curious lack of balance, is, so far as I recall, the argument that transfers of public utility properties are always at inflated values, which is pure assumption, and the argument that certain Supreme Court decisions have referred to "original cost" as a factor to be given consideration in determining "fair value." The first argument I do not propose to discuss. In any case, it is scarcely worth discussion. As to the second, it has been my considered opinion for a long time that any fair minded study of the Supreme Court decisions in which the phrase "original cost" is used will come to the conclusion first, that the Court was seldom, if ever, thinking of "original cost" precisely as defined in these new classifications, namely, as cost to the first owner to devote the property to the public service; and, second, that when the Court might possibly have had such a meaning for the term in mind, the function of "original cost" as a factor in determining fair value was merely that of checking the value at which a transfer of ownership had taken place under circumstances which might indicate that the transfer was not a genuine arms-length transaction. That the courts will ever find "original cost," as defined in these new classifications, to be primarily determinative of fair value for any purpose, is to me simply inconceivable.

However, we accountants in our insist-

Gas Space Heater Committee



Photograph of the Subcommittee for Approval Requirements for Gas Space Heaters, taken at the Testing Laboratories in Cleveland, September 11, 1936. Left to right: C. E. Golden, Standard Oil Company of California; W. Z. Friend, Philgas Division, Phillips Petroleum Corp.; R. M. Conner of the A. G. A. Testing Laboratories; G. E. Lester (representing C. F. Turner), East Ohio Gas Co.; H. R. Humphrey, General Gas Light Co.; C. E. Froelich, Continental Store Corp.; J. H. Eisman (Chairman), National Bureau of Standards; F. O. Suffron, F. R. Wright and R. C. Gregg of the A. G. A. Testing Laboratories; J. F. Anthes, The Brooklyn Union Gas Co.; G. C. Canaban, James B. Clow and Sons Co.; C. P. Boward, Equitable Gas Co.

ence on factual accuracy as the basis for all accounting, have ourselves, I feel, a tendency to exaggerate the importance of the precise number of dollars in terms of which transactions are recorded. After all, dollars are important solely as a measure of value, just as feet, acres, or tons are important as measures of other magnitudes. In these days when no one knows what the standard of value will be a few years hence, it seems to me essential that accountants should keep their heads clear and recognize that when their records of past transactions are stated in terms of dollars which do not have the same value content as those of the date at which any particular financial statement is made, the statement is, to that extent a distortion of values. It is all very well to say that the accountant is dealing with costs and not with values, but the truth is that costs are significant only as they reflect values, and the accountant must be constantly on his guard against feeling that his whole duty is done if the number of dollars involved in any transaction is correctly recorded. This is regarded as heresy in some quarters, I know, and I do not wish to have it appear that I favor writing up or down the books of account to correspond with every fluctuation in the standard of value. I do say, however, that a point can be reached where the historical record of costs in terms of the number of dollars involved will be so far out of line that the actual value of the dollars that historical costs will have no practical significance and might just as well be forgotten.

I can readily illustrate my point by the experience of Germany during the post-war inflation. Does anyone suppose for a moment that it might now be of any significance whatever that the property of a German utility company was purchased or constructed at the height of the inflation for a fantastic number of marks? I do not anticipate that we in the United States are going to suffer Germany's catastrophic experience, although such an eventuality is uncomfortably possible. But I think it quite likely that within the next few years an inflation which will cut the present value of the dollar at least in half will occur and that purchasing power may, by a wiser control of currency, credit, and exchange machinery than heretofore, then be stabilized on that level for a long period. If that should be the outcome, it is inevitable that all accounts will come to be stated in terms of the then prevailing standard of value and not in terms of historical costs.

HITTING THE NEW HOME MARKET

(Continued from page 408)

growth of the electric end of the business—at the expense of the gas side of the picture.

This forsaking of the old love (the gas portion of the business) for the younger, more flirtatious, progressive and more publicized electric end of the business, is just as natural as can be. The old love

has failed to apply the present day accepted use of a few cosmetics in the way of advertising and salesmanship. The big electric manufacturers, as publicity agents for Miss Electricity, have kept the combination company executive constantly reminded of all her virtues and beauties, and have actually succeeded in hiding her blemishes. It has cost them millions of dollars in publicity expense, but they figure they will soon collect it all back from the combination utility, just as a chorus girl will go into debt for a few evening gowns 'till she gets her man, then he pays the bill. Because the efforts of our many small but good gas appliance manufacturers have been scattered, they have been poor publicity agents for Mother Gas. They have failed to remind Mr. Combination Company Executive of his present investment in the gas household, and have failed to impress him with the already expanded wealth of gas, now in possession of over 95% of all of the present cooking load.

Potentialities

We have failed to impressively tell Mr. Combination Property Man of the two full-grown and self-supporting offsprings of his gas household, the much increased house heating load and the domestic water heating load; and we have neglected to ask him, in a sort of sly, flirtatious, yet cunning manner, who is going to be a mother to those two children if Mrs. Gas is completely jilted. To what competitive fuel would go the earning power of these two sons if Mother Gas is permitted to die from neglect? Then there is that healthy, robust, little ten-year-old fellow named Electrolux, who already has the annual income from the sale of twenty billion cubic feet of gas to his credit. This little Swede just can't be stopped, for he has been richly fed on a good diet of national and local publicity, and I am sure he could continue to thrive on a diet of bottled gas and kerosene if his mother, City Gas, dies from strangulation at the hands of a short-sighted father. Also, Mr. Combination Property Man, there are some blackmailers in this triangular affair, with hungry eyes on your industrial load. They are just waiting for you to stifle the Gas Industry a little more. Then they can pounce down on that industrial load and defy you and Miss Electricity to do anything about it. These competitors' names are Mr. Propane, Mr. Butane, Mr. Fuel Oil, and a number of others.

With such a goodly number of efficient uses for gas, the combination man needs to grant the gas end of his business no favors. If those combination company managements will just run their business to their best advantage for a good return on their present investments in both the gas and electric end of their business, instead of letting the big electric manufacturers run their business for them, gas will rapidly become a paying end of their business—instead of showing a return of only 1½ to 2 per cent or less.

If combination company managements continue to let electric manufacturers operate the valve for balancing so important an item as the allowable revenue or return on their investments, naturally it won't be long until they are faced with charging off useless and obsolete gas equipment and purchasing a lot of new electrical equipment. Another thing that will help speed that day of reckoning is that some of you combination company men are permitting the public to lose respect for the gas end of your business. Both the loss in the charging off of useless gas equipment and the loss of public respect for one-half of your business, will bring about financial troubles when you try to raise money for the purchase of additional turbines, power stations, distribution systems, et cetera. The sale of stocks and financing will become such a great difficulty that the combination company managements will soon be sorrowfully impressed with the folly of their violation of the public's trust. The *Wall Street Journal* of September 4, 1936, says in regard to the present gas crisis: "A very important phase in the industry's history, from the investor's standpoint, is now being written." The moral integrity and the welfare of all utilities is at stake in this issue. The outcome will serve as a signal to investors as to whether or not utilities are operated in the public's interest.

Box Score

Now let's add up our score on all the points I have discussed.

In the first place, we have failed to observe the coming of an important building boom and have failed to lay a foundation to help us capitalize on it, while our competition did see it coming and are well prepared.

In the second place, we have failed to show any increases in domestic gas sales, while our competition and other big industries are showing sharp gains.

In the third place, we have permitted the loss of the public's respect for gas by our failure to increase advertising, while competition has been spending dollars to our dimes on publicity for their service.

Next, we have been showing 30% increases in appliance sales, while our competition has been making 50% increases; thereby proving our failure to use enough salesmanship.

We have failed to coordinate the efforts of the gas companies, we have failed to coordinate the efforts of the manufacturers and gas companies, and the manufacturers have failed to cooperate with each other. Most gas companies continue to ask the manufacturer just one question: "How cheap can you sell me a special range?" and the manufacturers continue to ask gas companies just one question: "May I have your next campaign for my product?" Neither one offers the other any thoughts on how to get out of our traditional ruts.

If you have believed me when I told you that we have failed on these four im-

portant fronts, then you as an audience have automatically divided yourselves into two groups of thought.

Group One is made up of the weak sisters in our industry, who are thinking that this gas business is doomed to continued failure. You are thinking that you'd better get out of it and run for shelter in some other field. I truly hope that I have succeeded in discouraging you to the point where you *will get out* and run for cover, thereby making room for some fearless men who like a challenge to their sales ability—men who like to sell and think in terms of merchandising. You have drawn the right conclusion if you have decided you had better get out. This battle of the fuels is no place for spineless jelly fish, pikers and parasites.

Group Two, which I hope is in the majority, is thinking—yes, those are the facts all right, but by the Gods it won't be so next year! You are thinking what opportunities an industry like ours offers to the thinker and doer when so much needs to be done. You are thinking what a thrilling battle it is going to be and what satisfaction can be realized by overcoming every challenge thrown in your face. You are thanking your lucky stars that you are in an industry that has all the advantages over competition but has failed only in one respect—the application of salesmanship. You realize that the solution to our whole problem is found in increased advertising and more intensified, coordinated, enthused selling. You are thinking of what you can do to contribute your share. You are thinking that, because of our failure to sell for the past years, what a happy hunting ground we now offer the merchandiser and salesman. You agree with the necessity for a new awakening to place gas in the forefront, where it rightfully belongs!

Here are the two groups: Group One, the pikers; Group Two, the fighters. On which side are you—and what are you going to do about it?

Refrigeration Contest Winners Receive Trophies

DURING a colorful ceremony at the annual convention of the Association eight gold-hilted swords, trophies awarded in the nationwide refrigeration sales contest sponsored by the A. G. A. Refrigeration Committee, were presented to representatives of the eight gas companies who were ahead in the drive. B. H. Gardner, chairman of the Refrigeration Committee, made the presentation.

Swords were received by the following representatives on behalf of their companies: Marcy L. Sperry, president, Washington Gas Light Company, Washington, D. C.; M. K. McKelvey, sales manager, Gas and Electric Appliance Company, Columbus, Ohio; Newell E. Loomis, sales manager, Detroit City Gas Company, Detroit, Mich.; John Fletcher, sales manager,

Cumberland and Allegheny Gas Company, Cumberland, Md.; S. C. Ross, district manager, Manufacturers Light and Heat Company, Bellevue, Pa.; George W. Keith, sales manager, North Penn Gas Company, Port Allegany, Pa.; E. V. Bowyer, sales manager, Lynchburg Gas Company, Lynchburg, Va.; and B. W. Garvin, sales manager, Broad River Power Company, Florence, S. C.

"West's Gas" Publishes International Symposium

AN important international symposium on methods of sale and advertising by eminent gas executives in most of the civilized countries of the world is presented to the gas industry in the summer number of *West's Gas*, official publication of West's Gas Improvement Co., Ltd., Manchester, England, and West Gas Improvement Co. of America, New York, N. Y. Under the inspiring title "Forward Gas," an imposing array of information has been assembled in a well-illustrated and handsomely printed issue of 143 pages. More than twenty countries are represented.

The contribution of the American gas industry is described in the Epilogue as follows: "The United States presents a picture even vaster in scale and with more variety in its complexities than that of the British Isles. It is described in an

article which, as far as we know, brings together for the first time all the phases of gas and coke sales in the United States.

"Prepared under the aegis of Major Forward, the article is in itself a symposium from the pens of W. Reed Morris, J. P. Haftenkamp, Victor Starzenski, and the late Arthur Hewitt, while the last-named has contributed a separate study of the sales activities of the Consumers Gas Company of Toronto.

"Around the System" Makes Its Bow

AROUND THE SYSTEM" is the name of the new employee publication of the Consolidated Edison Company of New York, Inc. The first issue appeared on October 1.

This new 32-page monthly magazine is distributed to all of the employees of the Consolidated and its affiliated gas, electric, and steam companies. Formerly there were three employee publications *To Serve New York*, for the gas company employees; *Metropolitan Electric Topics*, for the electric company employees; and *The Westchester Round Table*, for employees of the Westchester Lighting Company.

Around the System is an attractively printed, well-illustrated magazine in two colors. The first issue was well received by its readers.

Statement of the Ownership, Management, Circulation, Etc., Required by the Act of Congress of August 24, 1912

Of American Gas Association Monthly published Monthly at Brattleboro, Vt., for October 1, 1936. State of New York, County of New York, ss.

Before me, a Notary Public in and for the State and county aforesaid, personally appeared James M. Beall, who, having been duly sworn according to law, deposes and says that he is the Editor of the American Gas Association Monthly and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 411, Postal Laws and Regulations, printed on the reverse of this form, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are: Publisher, American Gas Association, Inc., 420 Lexington Ave., New York, N. Y.; Editor, James M. Beall; Managing Editor, None; Business Managers, None.

2. That the owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding one per cent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a firm, company, or other unincorporated concern, its name and address, as well as those of each individual member, must be given.)

American Gas Association, Inc., 420 Lexington Avenue, New York, N. Y.; President, L. B. Denning, 420 Lexington Avenue, New York, N. Y.; Vice-Presidents, Herman Russell, N. C. McGowan; Treasurer, J. F. Rooney; Managing Director, Alexander Forward (all of 420 Lexington Avenue, New York, N. Y.).

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: (If there are none, so state.) None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

5. That the average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the six months preceding the date shown above is . (This information is required from daily publications only.)

JAMES M. BEALL, Editor.

Sworn to and subscribed before me this 6th day of October, 1936.
(Seal)

LAWRENCE P. BROWN,
Notary Public, Queens Co. No. 3384 Reg. No. 7779
Cert. filed in N. Y. Co. No. 1465, Reg. No. 7-B-893
Commission expires March 30, 1937

Personnel Service

SERVICES OFFERED

General Superintendent or Local Manager. Fifteen years' experience in the production of water gas, coal gas, and Pacific Coast oil gas, high and low pressure distribution and transmission, domestic and industrial installation and utilization. Mechanical engineering education; speaks English and Spanish, employed at present. (37). 1040.

Service manager, 13 years' natural gas experience, transmission, distribution as construction and maintenance foreman. Domestic, commercial and industrial selling, aiding salesmen to close, advising in heating problems, laying out new systems, renovating and modernizing old systems; specialist in heating, employed. (31). 1041.

Meter shop superintendent, 9 years' experience in gas meter repairs in charge of meter shops repairing 60,000 meters per year. Thoroughly familiar with modern meter work and manufacture of meter diaphragms. University graduate. Good personality; can effect economies. 1043.

Manager 24 years' experience in all branches of manufactured coal and water gas. Built and operated plants for sixteen years; with last organization seventeen years every capacity, last eight years as manager property 5,800 meters, showing exceptional results. Have endorsement of city officials and leading business men with fine public relations; married. (44). 1045.

Sales engineer, capable of managing house-heating department in all its branches, covering surveys, installation, estimates, sales promotion, service, repairs and maintenance. Experience also covers industrial field with regard to high and low pressure boilers and large volume water heating. Broad general and technical experience; married. 1047.

Sales engineer or supervisor (38) with ten years' experience in the gas industry covering everything in the industrial, domestic, househeating, commercial, hotel restaurant and refrigeration lines, desires identification with public utility or manufacturer. 1050.

Engineer experienced (16 years) in the construction of water and coal gas plants and apparatus, including several years supervising installation and repair wet and dry holders, with largest gas plant company in U. S., last four years on valuation work. 1051.

Twelve years' gas utility experience as superintendent of distribution, service and sales. Have produced results at low unit cost. Employed last three years in personnel work; not afraid of hard work or responsibility. Married, good health; (36). 1052.

Man who is willing to begin as a subordinate with gas utility wants position; experience covers manufactured gas, natural gas, and distribution, also public relations. Have worked from the ditch to superintendent, have laid out and built gas plant. 1055.

Topographical draftsman—Experienced in the detail platting and recording of oil and gas field operations, and presenting all such data in graphic form. Also a substantial background in statistical, preparatory surveys, layout and printing proposals. 1056.

Engineer with 29 years' service with utility company. Familiar with all branches of gas construction specializing in report, estimates, construction and appraisals, also studies relating to assessments and revision of taxes; also electric experience. 1057.

Advertising—publicity. Six years' newspaper reporter. Four years' advertising and editorial work among both manufactured and natural gas companies, in different sections provide broad knowledge of appliance selling and public relations on rates, franchises, etc. Copywriter, rough layouts and able to handle production detail; graduate. 1059.

House heating and industrial sales engineer—wide experience in gas production and sales—technical graduate—result-getter; can make heating layouts, also air conditioning—strict adherence to sound selling policies—prefer middle west location; available on short notice; married (38). 1060.

SERVICES OFFERED

Sales promotion—advertising—publicity. Do you believe sound ideas sell goods; that dramatic layouts compel attention; that convincing copy gets inquiries? Then I have what you want. Let me show you a campaign that doubled factory's production. Four years with leading utility. Know advertising production, printing, engraving, etc. 1061.

Advertising man with usually successful record in advertising and sales promotion, backed by actual sales experience. Capable of taking entire charge of advertising operation, or can render invaluable service as assistant to busy commercial manager. 1062.

Recently graduated gas engineer desires to become connected with a gas company in a technical position. Willing to work and cooperate with my fellow workers. 1063.

Director of Research—nineteen years' experience; eight in high and low temperature coal-tar, oil cracking and refining; eleven in space and house heating. Outstanding research in heating, conversion and gas designed; also in air conditioning. Desire connection with manufacturer who would like to step out ahead of the rest. 1064.

Position desired with gas company as house heating salesman. Twelve years with large eastern gas company. Selling, surveying and supervision. A-1 record. 1065.

Heating, cooking appliance salesman desires connection with manufacturer. Twenty years' experience selling wholesale and retail trade, and utility companies, in eastern and southern territories. Have ability to organize, create a volume of business and handle any territory to mutual advantage. Have no preference as to territory. 1066.

Technical graduate desires new connection; six years' experience in plant construction, operation, distribution and appliance servicing; five years' experience in industrial, commercial and heating sales with natural and manufactured gas; completed Columbia University extension course in "Manufactured Gas"; married; (33). 1067.

Young man, good appearance, education and refinement, with full share of health, energy and judgment based on 2½ years' practical pioneering air-conditioning experience promoting manufacturer's equipment; (33). 1068.

Gas technologist engineer with 12 years' experience in natural and manufactured gas industry as manufacturing and distribution engineer operator and designer of equipment, surveyor and expert in map work. 1069.

Sales Promotion. Past five years with nationally known manufacturer as field representative in sales promotion department. Utility, dealer and consumer group meetings effectively conducted. Educational work and personal sales calls with salesmen; preparation of sales promotion literature. Acquainted with utilities in New England, New York, New Jersey, Pennsylvania. 1070.

Inventory-appraisal engineer with 20 years' operating, sales and construction experience, offers services in any capacity in the gas business. Experience covers both natural and manufactured gas; go anywhere (39). 1071.

Mechanical engineer, university graduate; 8 years' experience in manufactured gas; transmission, distribution, construction, operation, maintenance, design, planning, testing, reports, studies, budgets, rates and management. Held positions as chief draftsman, cadet engineer, service manager and assistant engineer. Interested in research and air conditioning. Desires position as engineer or manager. Married. (29). 1072.

Graduate engineer, sales and technical experience. At present with large gas utility company selling house heating equipment and other gas appliances. Broad engineering experience with electric and steam power companies. Also purchasing experience for large industrial organizations. 1074.

SERVICES OFFERED

Gas engineer nineteen years' designing, manufacturing, erecting and operating producers, blue and carburetted water gas plants. Experienced with all kinds fuels; five years in Russia. Not particular, anything from foreman to chief engineer large plant or group small gas properties. Best references. 1075.

Salesman in Metropolitan area New York and nearby States seeks position to represent manufacturer in gas appliances, gas fired boilers, gas ranges, water heaters all types and refrigerators. Has an established trade for last fifteen years among gas companies, wholesalers, distributors and plumbers and dealers, architects, builders. 1076.

Thoroughly experienced sales engineer in industrial gas and gas house heating, services available at once, twelve years' experience in gas utility new business operations. 1077.

Utilization and sales engineer. Long experience in househeating, industrial applications and restaurant equipment. Can make complete investigation and survey and select proper equipment; can direct correct installation. Thorough in inspection and maintenance of appliances. Can manage a department for a utility. Will represent a manufacturer in the New York Metropolitan area. 1078.

Salesman, good education and training wants connection in sales department. Can make house heating surveys and sales. Eleven years in the gas industry. In good health and will go anywhere (35). 1079.

Graduate mechanical engineer—Broad technical experience in the gas industry, including both manufactured and natural gas—sales, production, utilization, distribution, construction, rate making, appraisals and reports. Available on short notice. 1080.

Valuation and rate engineer. Fourteen years' experience; seven with large gas transmission and distribution companies; four as executive head of valuation department. College graduate and thoroughly experienced in preparing and testifying to valuations, accounting exhibits, and rate studies, before commissions and courts. Now employed but desire change. Location immaterial. 1081.

Can you use any of these: Ability to get and hold dealer cooperation, general sales-promotional and public relations or advertising service, singly or in combination, all ripened by broad business experience and supported by impressive proof? Available without delusions of grandeur as to compensation. 1082.

Consultant, long experience as manager, cosmopolitan cities, desires temporary engagements to investigate, criticize or cooperate in the handling of customer accounts, dealings with customers, personnel, accident compensation, negligence claims. Anything pertaining to the business or customer side of the gas industry. Any city, any time, long or short periods. 1083.

Sales and promotion of appliances for house-heating, domestic and small power and industrial installations. Previous utility experience includes supervising and operating mixed gas systems, natural gas changeover, distribution and utilization. 1084.

Twenty years of experience in executive capacity in utility management, including electrical contracting and merchandising of fixtures, electrical ranges and refrigerating machines; in last eight years management of forty-three million dollar company, gross earnings increased four and one-half and net earnings ten and one-fourth times. 1085.

Services of able and energetic man offered as representative in New York holding corporation utility fields; proposed work to cover sales promotion and presentation of products to utility headquarters and passing back reaction of reception along with suggestions to factory executive. Interview requested with substantial manufacturer. First quality references. Salary open. 1086.

Sales representative for range manufacturer in any Eastern territory; aggressive and capable, college graduate; successful managerial experience on propane bottled gas with company which has enjoyed exceptional growth in territory served. (32). 1087.

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